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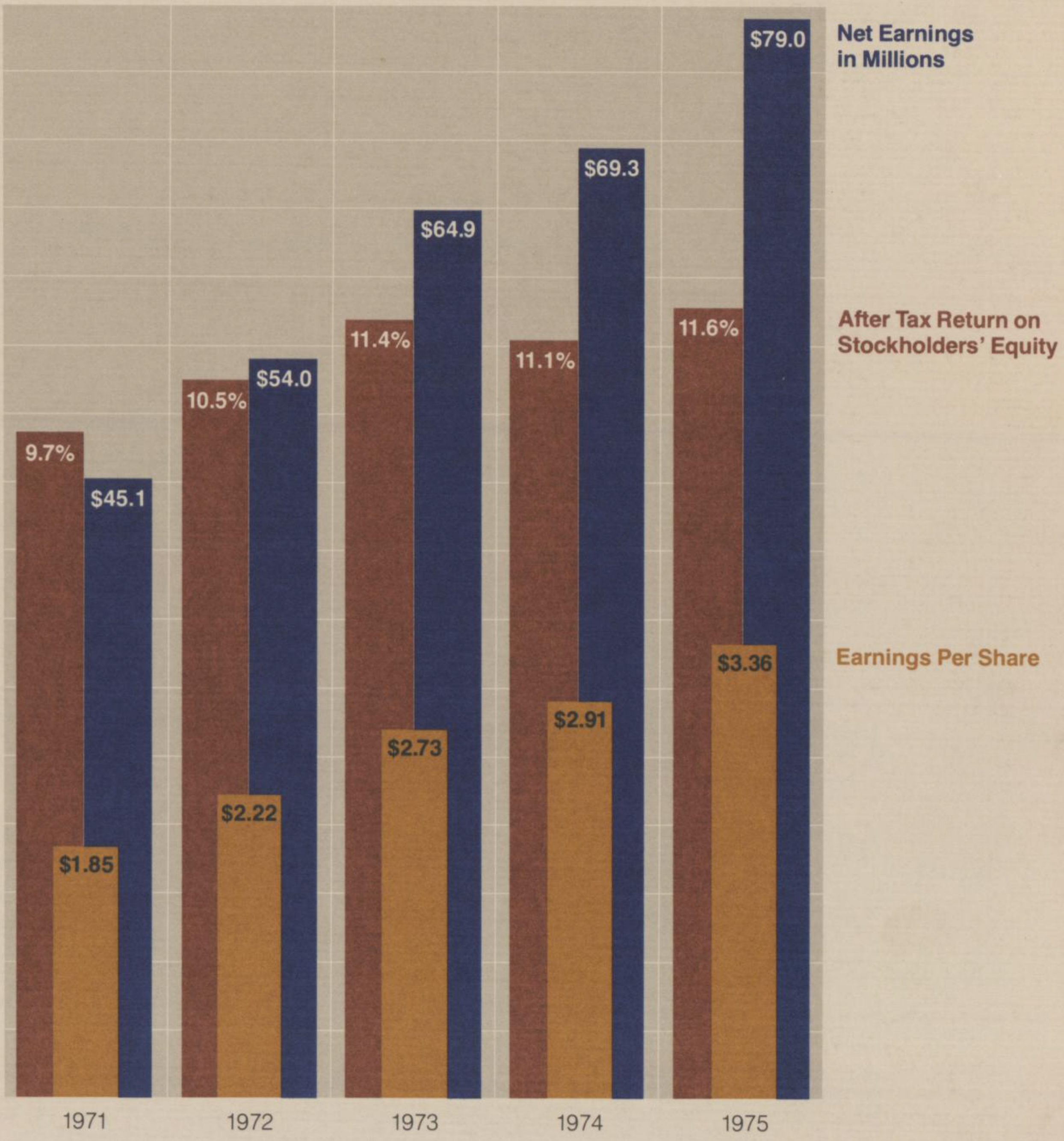
Dart Industries Inc.



Annual
Report
1975

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Annual Meeting

The Annual Meeting of Stockholders of Dart Industries Inc. will be held at 9 a.m. on Tuesday, May 4, 1976, at Corporate Headquarters, 8480 Beverly Boulevard, Los Angeles, California.

Company Description

Dart Industries Inc. is engaged in the manufacturing and marketing of consumer products, chemicals, plastics and packaging. The Company's products are sold directly to consumers in the home or through retail outlets, or indirectly through intermediate manufacturers and converters whose products are sold to consumers.

The Company's philosophy encompasses a pursuit of growth in earnings, improved return on Stockholders' equity while maintaining a stable and strong financial base, and a desire to operate with responsibility toward equal employment opportunity, consumerism and the environment.

The Company's primary lines of business are:

- Direct Selling
- Consumer Products
- Chemicals
- Plastics
- Glass Containers

• The Company's Direct Selling line of business is comprised of *Tupperware* plastic containers for preparing, storing and serving food, *Vanda Beauty Counselor* cosmetics and toiletries, *Miracle Maid* cookware, and *Coppercraft Guild* giftware.

Tupperware products are sold in more than 30 countries directly in the home through a network of authorized distributors and their independent managers and dealers. Manufacturing plants are located in the United States and 14 foreign countries.

Vanda Beauty Counselor products also are sold through independent distributors and their independent managers and counselors to consumers directly in the home. The products are marketed in the United States, plus 11 other countries, and are manufactured in six countries.

Miracle Maid cookware is sold by independent husband-wife teams who give cooking demonstrations in the homes of potential customers. *Coppercraft Guild* markets giftware and decorative accessories manufactured from copper through private showings in the home. Both product lines are manufactured in the United States.

• Dart Industries' Consumer Products line of business primarily includes *West Bend* cookware and electric housewares, *Syroco* home decorative accessories and casual furniture and *Rexall* pharmaceuticals. These products are sold through department and variety stores, mail order, premium users, specialty divisions and independent franchised drug stores. Manufacturing plants are located principally in the United States.

• Dart Industries' Chemical line of business includes plastic raw materials, chemical specialties, and environmental equipment and services. The plastic resins, low-density polyethylene and polypropylene, and olefins from which they are produced are manufactured under a joint venture with El Paso Products Company. Marketing of these resins is done by Rexene Polymers Company, a division of Dart Industries, which also manufactures and markets styrenic plastic resins independently of the joint venture. All the resins are manufactured and sold in the United States, and are licensed for manufacture by other firms in several countries including the United States.

Packaging film is made by Consolidated Thermoplastics Company, jointly owned by Dart and El Paso, and marketed under the trade name, CT Film.

Chemical specialties, air and water pollution control equipment and engineering services are included in the Chemical line of business. These products are manufactured primarily in the United States.

• The Company's Plastics line of business encompasses architectural products, styro and specialty products, and packaging. Principal among these are *Wilson Art* high-pressure decorative laminates used in the interior surfacing of homes and commercial buildings, styrocups and containers by Thompson Industries, *Colorite* garden hose, and medical and surgical products by Seamless Hospital Products. These products are produced principally in the United States. A variety of other plastic specialties and packaging are manufactured in the United States and several other countries.

• Glass containers are manufactured by Thatcher Glass in six United States locations and sold to packagers of foods and beverages.

Dart Industries also operates two resort communities in California where it sells homesites, condominiums and recreational housing.

Of the Company's total operations, approximately 27 percent of sales and 34 percent of net earnings in 1975 came from activities outside the United States. These activities represent primarily *Tupperware* plastic containers, *Vanda Beauty Counselor* cosmetics, plastic packaging and chemical specialties.

Corporate headquarters for Dart Industries are in Los Angeles, California. The mailing address is
P.O. Box 3157 Terminal Annex,
Los Angeles, California 90051.

The Year in Brief

	1975	1974‡
Operations		
Net sales	**$1,280,407,000**	$1,218,042,000
Earnings before taxes	**156,488,000**	140,690,000
Net earnings	**78,988,000**	69,297,000
Earnings per share of Common Stock		
Primary	**3.36**	2.91*
Fully diluted	**3.19**	2.79*
At Yearend		
Current assets	**$ 609,238,000**	$ 556,309,000
Current liabilities	**215,161,000**	215,036,000
Working capital	**394,077,000**	341,273,000
Long term debt	**214,133,000**	193,380,000
Stockholders' equity	**683,776,000**	623,738,000
Shares of Common Stock outstanding	**21,766,100**	21,763,300*
Shares of Preferred Stock outstanding	**2,953,900**	2,956,300

‡Restated for the effect of a change in accounting related to foreign currency translations and for an acquisition accounted for as a pooling of interests.
*Adjusted for 3% Common Stock dividend issued in May 1975.

Sales and Pre-tax Earnings by Lines of Business

(DOLLAR AMOUNTS IN MILLIONS)	**1975**		1974		1973		1972		1971	
	SALES	EARNINGS	SALES	EARNINGS	SALES	EARNINGS	SALES	EARNINGS	SALES	EARNINGS
Direct Selling	**$ 459**	**$108.4**	$ 394	$ 98.0	$305	$ 77.0	$246	$ 59.8	$187	$ 44.1
Consumer Products	**224**	**17.0**	233	18.7	203	15.2	225	17.6	248	18.6
Chemicals	**161**	**28.2**	193	58.9	131	22.3	101	12.2	83	9.0
Plastics	**226**	**11.5**	226	23.5	202	23.2	172	21.3	148	18.2
Glass Containers	**200**	**30.0**	163	18.8	142	13.4	125	17.0	120	23.1
Resort Development	**10**	**(17.5)**	9	(34.9)	10	(7.1)	23	.3	30	(1.2)
Totals	**$1,280**	**$177.6**	$1,218	$183.0	$993	$144.0	$892	$128.2	$816	$111.8

The earnings presented above are before deduction of certain corporate expenses, interest expense and income taxes, and before addition of certain other income. International operations are included. Direct Selling includes Tupperware sales as follows: 1975—$382; 1974—$312; 1973—$232; 1972—$187; 1971—$157.
See page 1 for a description of the Company's Lines of Business.

To the Stockholders

Fifth Consecutive Year of Record Results

Your Company has recorded its fifth straight year of increased earnings and sales.

Earnings per share of Common Stock for 1975 were $3.36. This reflects a reduction of 19 cents per share because of mandatory retroactive accounting standards announced in October 1975 by the Financial Accounting Standards Board for translation of foreign currency financial statements and made retroactive for 1975 and prior years. The comparable restated earnings per share figure for 1974 was $2.91, which reflects an addition of seven cents per share from the accounting standards change and one cent per share for a pooling of interests business combination. The 1974 results previously had been restated for the three percent Common Stock dividend paid in May 1975.

Net earnings in 1975 were $79.0 million, which was after a reduction of $4.1 million from the accounting principles change. Net earnings in 1974 were $69.3 million, which included an addition of $1.6 million from the change.

Investment tax credits of $2.6 million were applied to reduce provision for United States income taxes, benefiting earnings per share by 12 cents. In 1974, the investment tax credits were $1.9 million, equal to nine cents per share.

Total sales in 1975 were $1.28 billion compared with $1.22 billion in 1974.

Overall results of 1975 operations were very satisfactory in light of the uncertain economic conditions that prevailed for most of the year. Increased sales of Tupperware housewares and Thatcher glass containers were primarily responsible for the strong operating performance. Year-end improvements also were seen within the Chemical and Plastics Groups operations where certain plastic raw materials, specialty chemicals, and fabricated plastic products began to show recovery from the earlier recession-induced decline.

International Operations

During 1975, international operations showed continued improvement over the prior year. After-tax earnings from international operations, which were affected by the new accounting standards, rose from $25.1 million in 1974 to $27.0 million in 1975. International sales climbed 17 percent to $340 million in 1975 compared with $291 million in the prior year.

International sales in 1975 represented 27 percent of the total sales of the operating groups, as shown in the Lines of Business table on page 2, while international after-tax earnings represented 34 percent of total net earnings.

Management Goals and Financial Plan

Our primary goal is to increase the long-term value of Dart Industries shares by (1) increasing the rate of return on Stockholders' equity, (2) continuing our earnings growth, and (3) maintaining a conservative debt posture. To achieve this goal we plan to improve the quality of our earnings by continuing to:

1. Correct or eliminate loss divisions;
2. Pursue new manufacturing efficiencies and cost controls;
3. Eliminate products that do not add to profitability or to an improved return on investment;
4. Constantly improve the quality of our research programs;
5. Make new capital commitments which have the potential of a return that will contribute to the attainment of our goal.

Our minimum target for return on Stockholders' equity is 15 percent. Over the past five years the return on Stockholders' equity has improved from 9.7 percent in 1971 to 11.6 percent in 1975.

Over the next three years we anticipate annual capital expenditures at a rate of $100 million or more. This compares with $94 million spent in 1975 and an average of $69 million over the past five years.

Direct Selling, Chemical and Plastics operations received 67 percent of total capital expenditures in the past five-year period. The pre-tax return on average investment from these operations in that same period averaged 34 percent, ranging from a low of 26 percent in 1971 to a high of 44 percent in 1974. In 1975 the return was 31 percent. In view of these returns, over the next three years we will be concentrating the bulk of our capital expenditures for expansion in these, our most successful operations.

In today's inflationary economy, which we expect will persist, depreciation and amortization ($46.2 million in 1975; an estimated average of $62 million per year in the 1976-1978 period) will be far from adequate to cover the cost of replacing old plants and equipment. Likewise, new equipment for expansion will be increasingly expensive; and working capital requirements (which historically have amounted to about 20 percent of sales) will be similarly affected by inflation. Therefore, to assure cash availability for planned growth, we believe the best dividend policy for our Stockholders is a continuation of the Company's policy of a three percent stock dividend on the Common Stock, and modest increases in cash dividends as conditions and earnings warrant. From the Stockholder's point of view, this policy not only strengthens the financial liquidity and flexibility of Dart Industries, but it gives the Stockholder a choice of either selling or retaining the stock dividend according to his or her own judgment and circumstances.

Present funds, including the $50 million additional insurance company loan previously reported to Stockholders in the third quarter report of 1975, are sufficient to cover programmed capital expenditures and working capital requirements for the next two years. Our debt ratio, presently 31 cents of debt per dollar of equity (average for the last ten years—.30:1), may vary from year to year, but it is our intention to maintain debt ratios in this conservative range. Any significant variation would be related to unusual investment opportunities.

This is our financial plan for the foreseeable future, within which we must maintain maximum flexibility to meet changing conditions. If conditions dictate a change in our goal, or in any of these major policies, we will inform you.

Certain Operations Sold

During the latter months of 1975, the companies of the Dart Direct Marketing division were sold in line with our policy of divesting those businesses which do not fit into our long-range planning. The companies, which were engaged primarily in serving direct mail customers, had sales of $9.9 million and an operating loss of $300,000. The companies sold were Market Compilation and Research Bureau and its European operations, The Kleid Co., Western Direct Marketing, and Me-Books. In prior years, sales and earnings of these companies have been included under Direct Selling in the Lines of Business table.

Rexall Canada was sold in February 1976. Dart Industries will realize approximately $8 million, comprised chiefly of the net book value of the assets sold together with the collection of accounts receivable. Rexall Canada had sales of $14 million in 1975, and operating earnings were above break-even.

Financial Condition

Dart Industries' total assets increased $76 million during 1975 to a year-end record of $1.191 billion. Stockholders' equity increased to $684 million compared with $624 million at the end of 1974. Equity per share of Common Stock grew from $21.87 at the end of 1974 to $24.63 at the end of 1975. Cash and marketable securities totaled $157 million at the end of 1975. Current ratio, the relationship of current assets to current liabilities, was 2.8 to 1 at year-end 1975 compared with 2.6 to 1 at the end of 1974.

The $50 million loan agreement noted above was arranged with a group of insurance companies during 1975 to insure that long-range growth would not be inhibited by a lack of financing. Under terms of the agreement, the Company received $25 million of the total in December 1975, and will receive the balance in December 1976. The notes are payable over 20 years and bear 9⅞ percent interest. In completing the new loan agreement, the Company arranged to update the covenants of outstanding insurance company loans to provide for added financial flexibility.

Cash Dividend Increased in 1975

The cash dividend on the Common Stock was increased to 16 cents per share in the fourth quarter of 1975 compared with the 15 cents per share paid in each of the previous three quarters. Cash dividends for the year totaled 61 cents compared with 45 cents in 1974, an increase of 36 percent.

The Board of Directors declared a three percent stock dividend on the Common Stock, which was paid in May 1975. In February 1976, the Board also authorized a three percent Common Stock dividend payable May 27, 1976, to Common Stockholders of record April 9, 1976.

Resort Development

Development work at resort communities operated by Dart Resorts is nearing completion. Our primary emphasis is to sell out the homesites on these projects. We have no plans for any new resort development. At year-end 1973 the net investment in resort developments was $83.8 million. By year-end 1975 this had been reduced to $58.1 million, and this investment will continue to decline.

Management Organization

In October 1975, Robert T. Beattie was elected executive vice president and E. M. Davis and William H. Greenberg were elected vice presidents. In February 1976, James P. Schwartz was elected a vice president.

Previously, Mr. Beattie, 64, had been appointed president of the Consumer Products Group, succeeding Joseph J. Keenan who has left the Company. Mr. Beattie has been vice president of the Company since 1963 and was elected to the Board in 1968. He served as chief executive of the Rexall Group from 1968 to 1975.

Mr. Davis, 53, had been appointed president of the West Bend division in September 1975. A veteran of 27 years with the Company's plastics and packaging operations, he had served as executive vice president of the Plastics Group since 1965. He had been president of the Plastic Specialties division from 1972 until his most recent promotion.

Mr. Greenberg, 53, had been appointed president of the Thatcher glass container division in June 1975, succeeding John T. Pollock, who left to accept a senior position with another company. Mr. Greenberg has been with Thatcher since 1969 when he was named senior vice president, Sales and Marketing. Previously, he had spent over 14 years in other management positions in the packaging industry.

Mr. Schwartz, 43, had been appointed president of a newly formed Styro and Specialty Products division in December 1975. The division includes operations that manufacture a broad range of products within the Plastics Group. Mr. Schwartz has been with Dart Industries since 1966, and had served as president of Styro-Products operations since February 1971.

Board of Directors

Edward E. Carlson, 64, was elected to the Board of Directors in February 1976. Mr. Carlson is chairman and chief executive officer of both UAL, Inc., and its largest subsidiary, United Airlines. Prior to being elected chief executive officer of UAL and United, Mr. Carlson had served as president and chairman of Western International Hotels until shortly after the firm merged into UAL in 1970.

Outlook for 1976

As reflected in earnings reported for 1975, the Company's diversified mix of a broad range of consumer products along with chemicals, plastics, and packaging carried us through a difficult economic year. Our current judgment is that this same diversity, in a climate that includes gradual improvement in the general economy and more stable prices, should produce another year of record earnings in 1976, along with a continued improvement in return on investment.

Justin Dart, left, Chairman and Chief Executive Officer, and Gary A. Childress, President of Dart Industries Inc.

Justin Dart Gary A. Childress

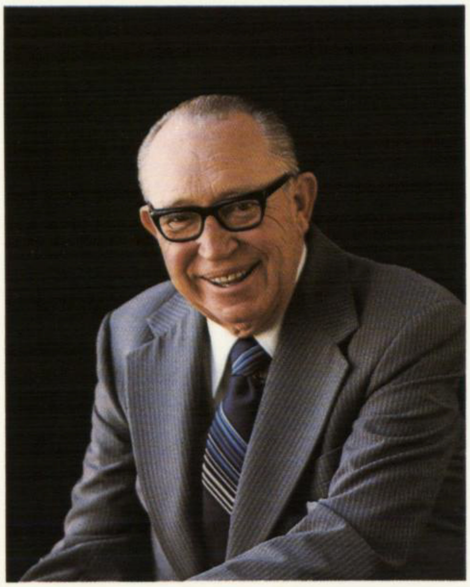
Justin Dart
Chairman and Chief Executive Officer

Gary A. Childress
President

March 1, 1976

Consumer Products

Rexall
Natural
pH Balance
Cream Rinse
& Conditioner
Herbal
fragrance
Rexall
Baby
Shampoo
SUPER
PLENAMINS



Hamer F. Wilson, Executive Vice President; Chairman and Chief Executive Officer, Direct Selling Group

Direct Selling Group

During 1975, the Direct Selling Group, which consists of the Tupperware and Vanda Beauty Counselor divisions, again set new highs in sales and earnings. Sales increased 19 percent and earnings increased 13 percent.

Vanda Losses Reduced

Vanda Beauty Counselor markets cosmetics and toiletries through independent distributors and counselors directly to consumers in the home. With the completion of the reorganization of Vanda's marketing program, including the change to independent distributorships, progress was noted in 1975. Worldwide losses were reduced.

The change to the independent distributorship system in Italy permitted the closing of a large warehouse in Milan. Relocation to a much smaller warehousing operation in Verona resulted in significantly lower operating costs. The United States manufacturing plant in Detroit was closed and sold, and production was moved to Rexall manufacturing facilities in St. Louis, Missouri. Vanda's United States operation had a modest sales increase and a reduction in operating losses compared with 1974.

The South African operation experienced increased sales and earnings although the extensiveness of the improvement was negated by devaluation of the local currency in relation to United States dollars. To support continuation of this proven growth, land was purchased and a new Vanda plant was built in Johannesburg.

Projections for 1976 are for a sales increase for Vanda Beauty Counselor and a substantial reduction in losses.

Tupperware Sales Increase

Tupperware manufactures plastic housewares for storing, preparing and serving food and markets these products directly to consumers through the Home Party Plan.

Tupperware sales increases in North and South America and in Europe, Africa and the Pacific were outstanding in 1975, with operations outside the United States continuing to contribute more than half of Tupperware sales and earnings. These results were achieved by carefully planned programs executed by management with the support of independent Tupperware distributors, managers and dealers in spite of worldwide economic uncertainty and political unrest in some countries.

Manufacturing Expanded

Construction began in 1975 on Tupperware's fourth United States plant, at Hemingway, South Carolina, where production is to begin in April 1976. Sales activities will begin in Brazil soon after the completion this spring of the factory now under construction in Rio de Janeiro. Expansion of manufacturing facilities in Japan and Australia is nearing completion, and expansion in Greece is underway.

Enlargement of manufacturing facilities in Mexico will double production capacity by the third quarter of 1976. This growth reflects the exceptional success of the Mexican management, independent distributors and dealers, and the strong consumer acceptance of Tupperware products.

To meet anticipated sales growth in other areas throughout the world, increased production capacity will be achieved in 1976 by continuation of a program of replacing older molding machines with newer ones of substantially greater efficiency.

Construction of a new international headquarters auditorium in Orlando, Florida, begun in 1975, will be completed in April 1976. This facility will serve Tupperware's long-range plans for homecoming and sales education activities worldwide.

The division continues to respond to consumer interests and is placing increasing emphasis on finding new products to serve the economic and functional needs of the homemaker of the future. In this connection, Tupperware continued its highly successful program of regularly introducing new products each year in every country.

Forecasts for 1976 are for another record-breaking year for the Direct Selling Group's operations.

Consumer Products Group

In 1975, operations of the Consumer Products Group were squeezed between the effects of inflation and recession. Spiraling costs, combined with the pressures of competition and slow customer demand, resulted in lower sales and reduced earnings from 1974. To minimize the impact of these unfavorable factors, new management responded by instituting new cost controls, decreasing the labor force, and reducing investment in inventories, receivables and fixed assets.

Costs Affect West Bend

The West Bend housewares division in the United States and Canada produced lower operating earnings than the year before as a result of much higher costs of raw materials, especially aluminum and steel. High labor costs were among the increases that could not be recovered because of depressed market conditions and competition. *Miracle Maid** cookware sold directly to the consumer earned less on higher sales in the United States because of increased costs, while earnings increased in Canada where sales were significantly higher than in 1974.

The Home Furnishings and Giftware division had depressed sales and earnings compared with 1974. Exceptions to this trend were Nappe-Smith and Thermo-Serv (insulated bags, insulated ware and serving accessories), which showed improved performance, and the Babcock-Phillips division (casual furniture), which maintained its market position in spite of the weak economy. Thermo-Serv and Nappe-Smith, which serve the promotional and advertising fields, took advantage of the depressed market by providing innovative ideas and designs to help customers create product awareness and trade name acceptance. Babcock-Phillips is beginning to benefit from a completely new line of leisure furniture which is catching the eye of young American families. Excellent growth is expected from this division in 1976.

Syroco Readies New Products

Syroco (home decorative accessories and casual furniture) in the United States and Canada had a poor year but is prepared with new designs and products to develop market opportunities for the division's products in the year ahead.

Coppercraft Guild's* direct selling line of decorative copperware produced lower earnings in 1975 in the United States because of rising costs of copper. Coppercraft Canada experienced increased sales and earnings.

Rexall operations held up very well in spite of the difficult economic year. This performance was the result of the continued successful application of a program initiated some time ago to improve the quality of Rexall earnings by concentrating on the merchandising of high-volume products produced in the company's plants. The Company-owned retail drug stores, six in number, are profitable on a very small investment.

Rexall Canada Sold

As a step in its program to reduce the investment in Rexall, the Company on February 4, 1976, sold Rexall's Canadian manufacturing and distributing facilities, franchise drug operations and private label division to a new company, which plans to continue the operations as Canadian Rexall Corporation. Dart Industries will realize approximately $8 million, comprised chiefly of the net book value of the assets sold together with the collection of accounts receivable.

The Consumer Products Group has taken steps during the past year to position itself for the more favorable economic climate expected for consumer goods in 1976. The Group has plant capacity to expand manufacturing and sales substantially. As sales and earnings rise, the return on investment should improve markedly.

Robert T. Beattie, Executive Vice President; President and Chief Executive Officer, Consumer Products Group

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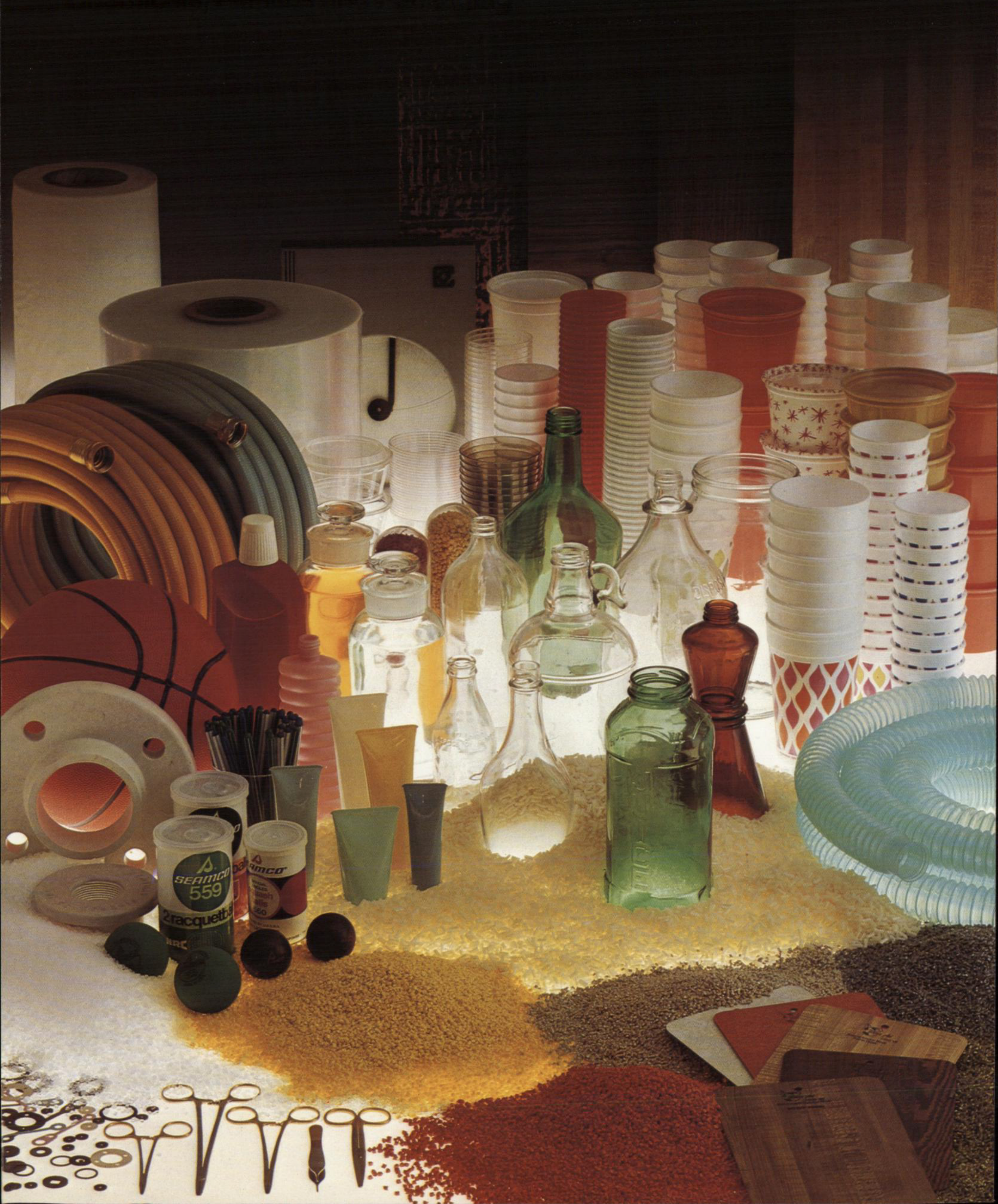
**Sales and earnings of Miracle Maid and Coppercraft are included in Direct Selling in the Lines of Business table on page 2.*

Chemicals, Plastics and Packaging


SEAMCO
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Chemical Group

Despite the depressed national economy, the Chemical Group recorded its second-best year in sales and earnings. Although demand was down from the prior year, the second half of the year saw an upturn in business with all sectors showing improvements in earnings compared with the first half.

Low-density polyethylene and polypropylene plastic resins, produced under a joint venture with El Paso Products Company,* experienced substantially decreased demand during the first half compared with the prior year. However, demand recovered to near-capacity levels by year-end as customers resumed buying after a period of inventory reduction and as consumer demand increased for products fabricated from plastics.

New Plants Being Built

Construction continued on schedule on the joint venture's new polypropylene resin plant in Bayport, Texas. New capacity of 150 million pounds per year will be added to current capacity of 130 million pounds with plant start-up scheduled for the third quarter of 1976. The long-range outlook for polypropylene remains excellent. Management forecasts that United States demand will approximately double from current levels by 1980 and triple by 1984.

Due to a forecasted doubling of United States polyethylene demand by 1984, the joint venture has authorized construction of a new low-density polyethylene plant adjacent to the Bayport polypropylene facility. The polyethylene plant will add 150 million pounds annually to the Company's current level of 400 million pounds. Construction is planned to start in the third quarter of 1976 and be completed by early 1978.

Consolidated Thermoplastics Company (jointly owned with El Paso Products Company) will complete its Harrington, Delaware, plant in the first quarter of 1976. The plant is expanding in anticipation of further growth in embossed and blown film for use in disposables such as diapers, packaging and industrial applications.

Both polystyrene and acrylonitrile-butadiene-styrene (ABS), which are manufactured by Rexene Polymers Company independently of the joint venture, experienced lower volumes than 1974 due to depressed automotive, housing and appliance markets. Improvement in demand had begun for both products by late 1975. A new facility at Joliet, Illinois, for manufacture of Dart concentrate, a raw material used in ABS, is scheduled for completion in the third quarter of 1976. ABS production capacity at Joliet also is being increased from 51 to 60 million pounds annually and further expansions are in the planning stage.

Specialty Recovery Started

Chemical specialties business was affected by the economic downturn in automotive and consumer products in the first half but began to recover during the second half. The Wilson Products division anticipates improved profitability from its line of colorants through the installation of higher volume manufacturing equipment. Expansion of Synthetic Products facilities was completed with significant improvements in process and energy utilization.

Two new operations were added during 1975, broadening the Company's participation in the environmental control industry. These were Environmental Research Corporation of St. Paul, Minnesota, which designs and markets air and water pollution control systems, and Century Fiberglass, Inc., of Anaheim, California, which manufactures fiberglass-reinforced plastic tanks and pipe used in storing and transporting corrosive materials plus scrubbers and vents used in air pollution control.

Capital Controls, experiencing a better year than in 1974, added several new products for metering and measuring chemicals for water treatment and now offers engineered systems for water purification and waste treatment.

Fluid-Ionic Systems achieved profitable operations in its first full year. The division's *Hydro-Precipitrol*** wet

Ralph M. Knight, Executive Vice President; President and Chief Executive Officer, Chemical Group

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*Subsidiary of The El Paso Company

**Exclusive licensee of Seversky Electronatom Corporation electrostatic precipitators, which remove airborne pollutants from industrial gas streams, were installed in various industries during 1975.

The Development and Engineering sector continued to concentrate on research designed to improve operating efficiencies and increase capacities. The sector's process improvements are being incorporated in the new Bayport polypropylene and polyethylene plants to produce highly advanced production processes. Development of a new high-efficiency catalyst system used in the manufacture of polypropylene has successfully passed through the pilot-testing stage and is undergoing further testing prior to commercialization. Also developed were improved peroxide catalysts to be marketed by the Catalyst division to various polymerization processors.

The Chemical Group outlook for 1976 is for gradual improvement throughout the year, reflecting anticipated continuation of the economic upturn that started late in 1975.

Polypropylene plant being constructed near Houston, Texas, under joint venture between Dart Industries and El Paso Products is scheduled to start production in third quarter of 1976. Location also is site of new polyethylene plant on which construction will begin in third quarter. Each plant will have annual capacity of 150 million pounds.

Plastics Group

Operations of the Plastics Group are divided into three principal segments, each under the direction of its own chief executive. The Styro and Specialty Products division manufactures plastic cups and food containers, extrusions, garden hose, surgical products and athletic equipment. The Ralph Wilson Plastics division manufactures decorative laminates, laminated art, counter tops and wood-grained edgings for residential and commercial applications. The Packaging division manufactures tubes, closures, and seals in the United States and plastic bottles overseas.

1975 was a difficult year for the Plastics Group. Many customers started the year with heavy product inventories carried over from the prior year. Their subsequent inventory reductions, along with the generally low economic level, required some plastics divisions to reduce production.

These factors resulted in price erosion and, with the added costs of closing an outmoded plant and moving to a new facility, lower earnings.

Hardest hit were packaging operations. Products of these divisions, which include plastic tubes, secondary seals, closures, and blow-molded bottles sold to manufacturers of consumer products, experienced decreased sales in line with the weak economy. Lower prices, coupled with increased costs, compounded the earnings reduction from 1974.

Wilson Art division, which produces laminates for interior surfacing in homes and commercial buildings, had decreased earnings due to the depressed construction industry.

Record Set By Styro-Products

There were, however, several bright spots, particularly in the Styro-Products division which produces plastic cups and food containers. Improved sales and record earnings were achieved through introduction of a newly designed cup that could be produced with less raw material and offered customers the benefits of lower shipping and storage costs.

Colorite garden hose and *Seamless* hospital products also recorded earnings improvements.

A major goal of all divisions in 1975 was to reduce working capital by cutting back receivables and inventories. The results of this program were successful. Receivables, as related to number of days sales, were reduced by 10 percent due to persistent collection efforts. Inventories, in terms of number of days supply of products, were reduced 20 percent.

Expansions Planned

During 1976 several major expansion projects will be completed. These include a new plant in Georgia for the production of plastic food containers, a new and larger plant in Spain for manufacturing plastic bottles and tubes, and a new plant in Canada for the manufacture of plastic foam cups. The relocation of Seamco division's sporting goods manufacturing from an outmoded plant in Connecticut to new facilities in Georgia will be completed in the second quarter. This move and reorganization reduced the Group's earnings in 1975, but should bring an improved return on investment.

New products to be introduced include metallic, chemical-resistant and special high-wearing surface high-pressure laminates by Wilson Art, which will primarily service commercial markets; linerless closures by Thatcher Plastics, which are less expensive than conventional closures and are primarily used in the liquor industry; and plastic tubes by Rexpak-Spain and Imco Container Company to be used in Spain and Australia, both prime market areas for these products.

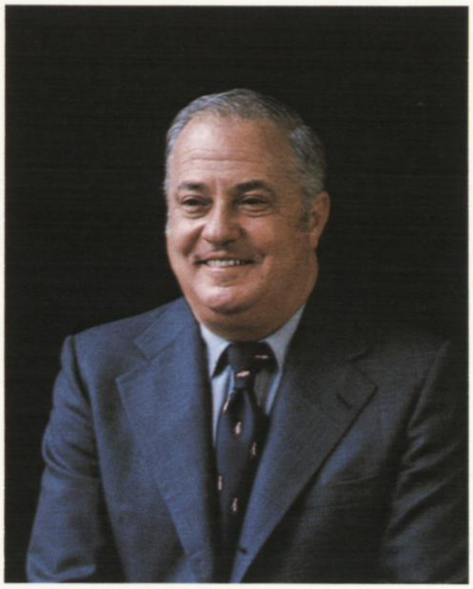
It is expected that earnings of the Plastics Group in 1976 will exceed 1975. This anticipated increase will come from a combination of cost and price stabilization, manufacturing efficiency and aggressive marketing.

Glass Containers Group

Thatcher Glass achieved record sales and earnings during 1975. Necessary price increases implemented early in the year, aided by a unified effort by all departments toward improving product mix, manufacturing quality and customer service, resulted in the division's record profitability.

Lighter Bottle Developed

The year also marked an important manufacturing achievement with development of a beer bottle that weighs approximately seven percent less than conventional 12-ounce glass containers, yet retains its strength because of improved glass distribution throughout the container. Because the lighter container utilizes less glass and can be manufactured at higher speeds, it provides even greater competitive advantage over metal containers and makes possible cost savings. The new container was developed using Thatcher's own research and development resources. Initial users are reporting better performance in

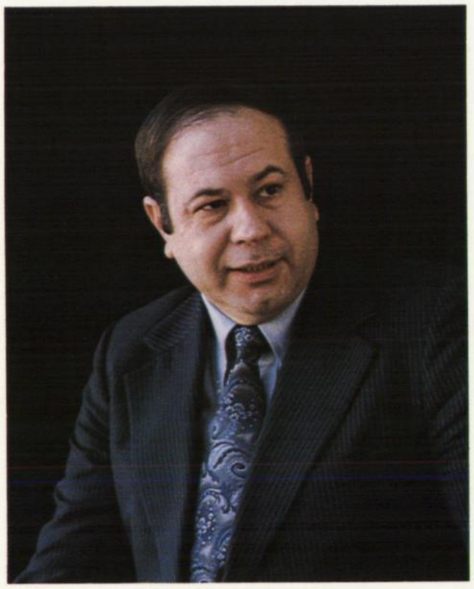


William H. Greenberg, Vice President; President and Chief Executive Officer, Glass Containers Group their packaging operations.

For 1976, raw material availability, particularly soda ash, is expected to continue to improve; however, sizable soda ash price increases went into effect early in the year. Continuing shortages of natural gas have forced conversion of glass-making furnaces to fuel oil as a contingency measure. While equally effective as an energy source, fuel oil is considerably more costly than natural gas.

Nevertheless, division performance is expected to benefit from the cost and user advantages of glass containers over competitive packaging materials and from stronger sales of beverage and food containers.

With manufacturing capacity essentially committed for the year, Thatcher can concentrate on those products with the highest potential return. By mid-year, the division will complete a program of furnace rebuilding and expansion that will add approximately five percent to annual capacity.



K. Wayne Smith, President and Chief Executive Officer, Resort Development Group

Resort Development Group

A major event impacting unfavorably on the Resort Development Group's performance in 1975 was the suspension of homesite sales at the Tahoe Donner resort community in early June. This suspension was the result of a moratorium on additional sewer connections in the area north of Lake Tahoe, including the district in which Tahoe Donner is located. While this moratorium, which was imposed by a state agency, was not directed at Tahoe Donner, it seriously affected sales at the project just as it did at all similar developments in the area. Although the sewer connection moratorium was lifted late in February 1976, thus making it possible for current property owners to proceed with their home building plans, the California Department of Real Estate continued its ban on homesite sales in the area pending assurance of adequate disposal facilities.

Resort Sales Increase

Despite the situation at Tahoe Donner in 1975, Dart Resorts' total sales improved over the previous year, led by increased sales of houses and condominiums at both Bear Valley Springs and Tahoe Donner. There were nearly 700 homes or condominiums built or under construction at the two projects by the end of 1975.

In December 1975, the Company announced agreement with complainants to provide approximately $2 million, including $475,000 in legal and administrative costs, for settlement of three purported class action suits that alleged unfair sales practices at two Dart Resorts projects. The three actions were seeking a total of more than $300 million in damages.

The proposed settlements involve Bear Valley Springs and Valley Hi, both in California, and are subject to final approval by the court. Property owners receiving refunds will be required to convey their property back to the Dart Resorts division.

Alleged class actions still pending include one against Alta Sierra and Prosser Lakeview Estates, two small northern California projects in which the Company has a minority equity interest, and another against the Tahoe Donner resort community. The Company does not believe the allegations to be factually accurate or that their ultimate disposition will have a materially adverse effect on Dart Industries' financial position or results of operations.

The major objectives for the Resort Development Group in the coming year remain the same as in 1975: to reduce investment, improve cash flow, and decrease operating losses. Progress was made in 1975 and, with the implementation of some new innovative marketing programs planned for this spring, continued progress is anticipated.

Corporate Staff

The Corporate staff has responsibility for planning long-range growth, analyzing for improved return on investment, assisting in the evaluation of potential new business opportunities, and planning for the future financial resource requirements of the Company.

The format of financial planning continued to place emphasis on effective evaluation of return on investment and on the use of working capital. Also continued was the process of screening new business opportunities to determine whether or not they were compatible with existing operations and represented a potentially favorable return on invested capital.

During the year, the Company took additional steps to protect vital computer records and financial data and to further improve systems documentation. Legal guidance was provided for the growing complexity of government regulations and tax laws that impact on business operations.

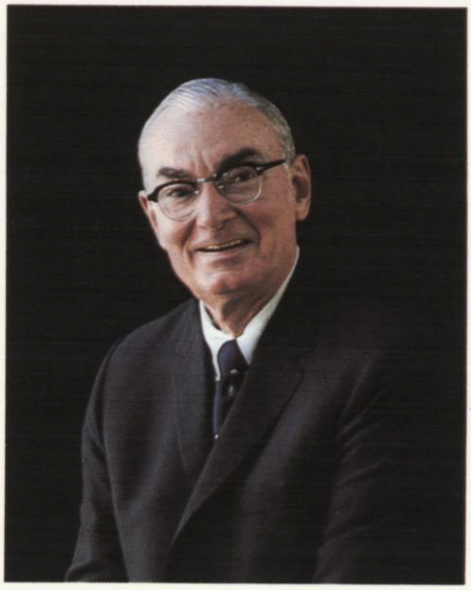
Programs were implemented to assist divisions and the Company in effectively interpreting increasingly complex accounting rules and in evaluating the translation effects of constantly fluctuating foreign currencies. New or continuing programs in purchasing, transportation and data processing, plus management development for improved communications, were aimed at strengthening performance at all levels.

Safety Committee Formed

At year-end 1975, the Company established a new Management Safety Committee under chairmanship of the executive vice president, Finance and Administration. The function of the committee, which will work through existing committees at all divisions, is to review safety programs for their effectiveness in safeguarding the health and well-being of employees.

Equal employment opportunity remains an important priority and Corporate staff personnel work closely with operating divisions in implementing affirmative action programs designed to expedite the hiring and promotion of minorities and women.

Under the public affairs program instituted late in 1974, the Company and divisions expressed their views on a number of legislative proposals that could have a potential negative or positive impact on the free enterprise system, on their business or on Stockholders' interests. The Company also introduced a program designed to improve employee understanding of the free enterprise system. The program was initiated in one major division and is being expanded to other divisions during 1976.



Donald H. Brewer, Vice Chairman of the Board of Directors; Executive Vice President, Finance and Administration

Dart Industries Inc. Companies and Products

Direct Selling Group
Headquarters—Orlando, Florida

Tupperware Division—*Food preparation, storage and serving containers; toys*

Vanda Beauty Counselor Division—*Cosmetics and toiletries*

Consumer Products Group
Headquarters—Los Angeles, California

Babcock-Phillips—*Furniture, cushions, pillows, hassocks*

Coppercraft Guild-Coppercraft Guild Canada—*Copper giftware, jewelry and decorative items*

Nappe-Smith Company—*Insulated bags, thermal containers*

Rexall Drug Company—*Pharmaceuticals, vitamins, toiletries* (United States and South Africa)

Syroco-Syroco Canada—*Home decorative accessories, casual furniture*

Thermo-Serv—*Insulated and non-insulated serving ware*

The West Bend Company—West Bend of Canada—*Cookware, electric housewares, humidifiers*

Resort Development Group
Headquarters—Los Angeles, California

Dart Resorts—*Development and marketing of recreational resorts*

Corporate Staff
Headquarters—Los Angeles, California

Corporate Staff services

Chemical Group
Headquarters—Los Angeles, California

PLASTIC RAW MATERIALS SECTOR

CT Film—*Packaging film (jointly owned with El Paso Products Company)*

Rexene Polymers Company—*Polyethylene, polypropylene and olefins (joint venture with El Paso Products Company, olefins by El Paso)*

Polystyrene, ABS, oriented polystyrene sheeting

Southwest Latex Company—*Styrene-butadiene latices*

CHEMICAL SPECIALTIES SECTOR

Catalyst Division—Aztec/PureChem—*Organic peroxides and peresters, titanium trichloride*

Electrochemicals—*Chemicals for electroplating*

Fiberfil—*Fiberglass-reinforced and filled thermoplastics*

Synthetic Products—*Metallic stearates, vinyl stabilizers*

Wilson Products—*Color concentrates and dispersions*

ENVIRONMENT AND SERVICES SECTOR

Capital Controls—*Chlorinators and control systems for water purification and waste treatment*

Century Fiberglass—*Fiberglass-reinforced plastic tanks and pipe, air scrubbers for pollution control*

Environmental Research Company—*Air and water pollution control systems*

Fluid-Ionic Systems—*Wet electrostatic precipitators for industrial air pollution control*

Heil Process Equipment—*Pollution control and chemical processing equipment*

Lancy Laboratories—*Waste treatment engineering and services*

DEVELOPMENT AND ENGINEERING SECTOR

Research and development, facilities construction

Plastics Group
Headquarters—Los Angeles, California

RALPH WILSON PLASTICS

Plastic Clad—*Counter tops for residential and commercial application*

Wilson Art—*Decorative laminates, laminated art*

Woodtape—*Wood and woodgrained edgings*

PACKAGING

Thatcher Plastic Packaging—*Tubes, closures, seals*

Imco Companies (Belgium, Holland, England, Spain, Australia)—*Plastic bottles*

STYRO AND SPECIALTY PRODUCTS

Thompson Industries, Rexcel, Canada Cup, Insulpak, Ltd., Camira, N.V.—*Plastic cups, food containers and dinnerware*

Action Plastics—*Extruded specialties*

Action Plastics and Rubber Company (Belgium)—*Extruded specialties and aerosol gaskets*

American Gasket and Rubber—*Aerosol gaskets, rubber products*

Colorite Plastics—*Garden hose, compounding*

Epcon—*Custom signs and leasing, sign facings and components*

Seamless Hospital—*Medical and surgical products*

Seamco—*Sporting goods and recreational products*

Glass Containers Group
Headquarters—White Plains, N.Y.

Thatcher Glass—*Convenience packaging*

NOTE: Product names printed in *italics* on all pages indicate trademarks.

Financial Statements

Report of Independent Accountants

Price
Waterhouse & Co.

606 South Olive Street
Los Angeles 90014

March 1, 1976

To the Board of Directors and
Stockholders of Dart Industries Inc.

We have examined the accompanying consolidated financial statements, appearing on pages 18 to 28, of Dart Industries Inc. and consolidated subsidiaries for the years ended December 31, 1975 and 1974. Our examinations were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in the Summary of Accounting Policies and the note to financial statements on International Operations, during 1975 the Company retroactively changed its method of accounting for foreign currency translations.

In our opinion, the consolidated financial statements examined by us present fairly the financial position of Dart Industries Inc. and consolidated subsidiaries at December 31, 1975 and 1974, and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis after restatement for the change, with which we concur, in the method of accounting for foreign currency translations.

Price Waterhouse & Co.

Summary of Accounting Policies

Basis of consolidation The consolidated financial statements include the accounts of Dart and its subsidiaries except for two wholly-owned finance subsidiaries and two 50% or less owned foreign corporations which are accounted for on the equity method. Significant intercompany accounts and transactions are eliminated.

Dart is a party to a joint operating agreement whereby it has an undivided 50% interest in plant and other assets relating to the production and marketing of certain petrochemicals, and is also a 50% owner of a plastics processing corporation with the same other party. The accompanying statements include 50% of the assets, liabilities, income and costs and expenses of these jointly owned activities.

Translation of foreign currencies In October 1975, the Financial Accounting Standards Board issued a Statement on "Accounting for the Translation of Foreign Currency Transactions and Foreign Currency Financial Statements." To conform with these new accounting principles, during 1975 Dart retroactively changed its method of accounting for foreign currency translations. Under the new method, exchange gains and losses now are included in the determination of current year earnings whereas in prior years net gains had been deferred. Foreign subsidiary balance sheet accounts for inventories, prepaid expenses, deferred income taxes, properties, investments and other assets are translated at historical rates; monetary asset and liability accounts are translated at yearend exchange rates. Income and expense accounts are translated at the average rate of exchange in effect during the year except for cost of sales, depreciation and amortization which are translated at historical rates.

Inventories Inventories are valued at the lower of cost or market. In general, cost as applied to inventory valuation represents purchase or manufacturing cost applied on the first-in, first-out method. Obsolete and damaged merchandise is excluded.

Properties and depreciation Expenditures for additions, improvements, replacements, betterments and major renewals are added to the properties accounts.

Properties retired, or otherwise disposed of, are eliminated from the asset accounts and the related amounts of accumulated depreciation are eliminated from the accumulated depreciation accounts. Gains and losses from disposals are included in earnings.

Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred.

Depreciation of properties is provided chiefly on a straight line basis over the estimated average useful lives of the various assets.

Lives used for calculating depreciation rates for the principal asset classifications are as follows: buildings and improvements—10 to 50 years; machinery and equipment—3 to 20 years.

Intangibles Intangibles having a limited life are amortized over their estimated useful lives. Certain intangibles acquired prior to October 31, 1970 are considered to have an unlimited life and are not being amortized.

Research and development Expenditures for research and development are charged to earnings as incurred.

Income taxes Provision is made for deferred income taxes and future income tax benefits applicable to timing differences between book and tax income. Declining balance and guideline depreciation and the instalment method of income recognition generally are used in the determination of income for tax purposes where applicable.

Investment tax credits are applied to reduce federal income tax expense in the year the credit arises.

Dart and its domestic subsidiaries file a consolidated federal income tax return. Provision is made for United States income taxes on earnings of foreign subsidiaries except for those which are expected to be invested indefinitely.

Resort development Resort lot sales are accounted for on the instalment method until actual collection experience for a project indicates that collectibility of receivable balances is reasonably predictable, after which the accrual method will be used. Under the instalment method, the gross profit less selling expenses related to the portion of the sales price which is not received in cash is deferred at the time of sale and recognized as cash is collected. In the opinion of management, at December 31, 1975 none of Dart's projects qualifies for the accrual method.

Interest and property taxes relating to land held for sale or improvement are charged to earnings as incurred.

DART INDUSTRIES INC. AND CONSOLIDATED SUBSIDIARIES

Statement of Earnings and Retained Earnings

FOR THE YEARS ENDED DECEMBER 31, 1975 AND 1974	1975	1974 (RESTATED)
Income:		
Net sales	**$1,280,407,000**	$1,218,042,000
Other income	**15,069,000**	17,767,000
	1,295,476,000	1,235,809,000
Costs and Expenses:		
Cost of goods sold and operating expenses	**787,474,000**	724,204,000
Selling, distribution and administrative expenses	**289,850,000**	274,661,000
Depreciation and amortization	**46,228,000**	44,105,000
Interest expense	**14,484,000**	14,648,000
Loss on marketable securities	**952,000**	16,145,000
Loss on sale of resort development project		21,356,000
	1,138,988,000	1,095,119,000
Earnings Before Income Taxes	**156,488,000**	140,690,000
Provision for income taxes	**77,500,000**	71,393,000
Net Earnings	**78,988,000**	69,297,000
Retained earnings at beginning of year, as previously reported	**330,769,000**	293,452,000
Adjustment for cumulative effect on prior years of accounting change for foreign currency translations	**5,302,000**	3,730,000
Retained earnings at beginning of year, as adjusted	**336,071,000**	297,182,000
	415,059,000	366,479,000
Dividends:		
Cash		
Preferred—$2 per share	**5,910,000**	5,913,000
Common—$.61 and $.44 per share	**13,041,000**	9,334,000
Common Stock, 3%, 630,900 shares at $16.00 per share paid in May 1975 and 612,600 shares at $24.75 per share paid in May 1974	**10,095,000**	15,161,000
	29,046,000	30,408,000
Retained Earnings at End of Year	**$ 386,013,000**	$ 336,071,000
Net Earnings Per Share of Common Stock:		
Primary	**$3.36**	$2.91
Fully diluted	**$3.19**	$2.79

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND SUMMARY OF ACCOUNTING POLICIES.

DART INDUSTRIES INC. AND CONSOLIDATED SUBSIDIARIES

Balance Sheet DECEMBER 31, 1975 AND 1974

Assets	**1975**	1974 (RESTATED)
Current assets:		
Cash	**$ 40,253,000**	$ 39,002,000
Marketable securities, at lower of cost or market	**116,551,000**	55,007,000
Total cash and marketable securities	**156,804,000**	94,009,000
Accounts and notes receivable	**162,361,000**	156,673,000
Inventories	**259,816,000**	277,486,000
Prepaid expenses	**11,257,000**	11,241,000
Deferred future income tax benefits	**19,000,000**	16,900,000
Total current assets	**609,238,000**	556,309,000
Resort development assets	**70,410,000**	84,614,000
Properties:		
Properties owned	**400,095,000**	354,041,000
Properties leased from others	**14,624,000**	15,998,000
Total properties	**414,719,000**	370,039,000
Investments and other assets:		
Marketable securities (market value $13,536,000)		16,806,000
3M Company common stock held in escrow for exchange by holders of 4¼% and 4¾% debentures, at cost (market value: 1975—$47,008,000; 1974—$39,068,000)	**35,162,000**	35,162,000
Equity in unconsolidated finance subsidiaries	**3,852,000**	3,726,000
Other assets, receivables and investments	**42,337,000**	34,772,000
Intangibles relating to businesses purchased, less amortization	**14,969,000**	13,430,000
Total investments and other assets	**96,320,000**	103,896,000
Total assets	**$1,190,687,000**	$1,114,858,000

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND SUMMARY OF ACCOUNTING POLICIES.

Liabilities and Stockholders' Equity	**1975**	1974 (RESTATED)
Current liabilities:		
Accounts payable	**$ 58,401,000**	$ 53,901,000
Accrued compensation	**33,308,000**	30,234,000
Other accrued expenses	**74,965,000**	77,851,000
Short term loans, foreign	**9,152,000**	10,830,000
Current instalments of discounted rental obligations	**1,264,000**	1,378,000
Current instalments of long term debt	**6,671,000**	6,734,000
Income taxes	**31,400,000**	34,108,000
Total current liabilities	**215,161,000**	215,036,000
Resort development liabilities	**12,301,000**	14,342,000
Discounted rental obligations, less current instalments	**15,916,000**	16,462,000
Long term debt, less current instalments	**214,133,000**	193,380,000
Deferred income taxes	**49,400,000**	51,900,000
Stockholders' equity:		
Preferred Stock	**14,932,000**	14,944,000
Common Stock	**27,209,000**	26,416,000
Capital in excess of par value	**257,169,000**	247,854,000
Retained earnings	**386,013,000**	336,071,000
	685,323,000	625,285,000
Less cost of reacquired shares of capital stock—Preferred—32,500; Common—742	**1,547,000**	1,547,000
Total stockholders' equity	**683,776,000**	623,738,000
Total liabilities and stockholders' equity	**$1,190,687,000**	$1,114,858,000

DART INDUSTRIES INC. AND CONSOLIDATED SUBSIDIARIES

Statement of Capital Stock

FOR THE YEARS ENDED DECEMBER 31, 1975 AND 1974	1975		1974 (RESTATED)	
	SHARES ISSUED	AMOUNT	SHARES ISSUED	AMOUNT
Preferred, $5.00 Par Value				
Authorized, 3,000,000 shares				
Series A $2 Cumulative Convertible (aggregate liquidating preference in 1975—$149,320,000)				
At Beginning of Year	**2,988,800**	**$14,944,000**	2,988,900	$14,944,000
Upon conversion into Common Stock	**(2,400)**	**(12,000)**	(100)	
At End of Year, Including Reacquired Shares	**2,986,400**	**$14,932,000**	2,988,800	$14,944,000
Common, $1.25 Par Value				
Authorized, 35,000,000 shares				
At Beginning of Year	**21,133,500**	**$26,416,000**	20,439,900	$25,549,000
For stock dividend	**630,900**	**789,000**	612,600	766,000
For business combinations			80,900	101,000
Upon conversion of Preferred Stock	**2,400**	**4,000**	100	
At End of Year, Including Reacquired Shares	**21,766,800**	**$27,209,000**	21,133,500	$26,416,000

Statement of Capital in Excess of Par Value

FOR THE YEARS ENDED DECEMBER 31, 1975 AND 1974	1975	1974 (RESTATED)
At Beginning of Year	**$247,854,000**	$232,372,000
Excess of fair value over par value of Common Stock issued as stock dividend	**9,306,000**	14,395,000
Excess of purchase price over par value of Common Stock issued for business combinations		1,087,000
Upon conversion of Preferred Stock	**9,000**	
At End of Year	**$257,169,000**	$247,854,000

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND SUMMARY OF ACCOUNTING POLICIES.

DART INDUSTRIES INC. AND CONSOLIDATED SUBSIDIARIES

Statement of Changes in Financial Position

FOR THE YEARS ENDED DECEMBER 31, 1975 AND 1974	1975	1974 (RESTATED)
Working Capital Provided by:		
Net earnings	**$ 78,988,000**	$ 69,297,000
Items not affecting working capital—		
Depreciation and amortization	**46,228,000**	44,105,000
Deferred income taxes	**(2,500,000)**	(2,500,000)
Loss on sale of resort development project		21,356,000
Loss on marketable securities		16,145,000
Provided by operations	**122,716,000**	148,403,000
Increase in long term debt	**27,177,000**	1,392,000
Sale or reclassification of marketable securities	**16,806,000**	48,003,000
Reduction of investment in resort development	**12,163,000**	
Sale of properties and other investments	**1,553,000**	2,644,000
Sale of resort development project		4,500,000
Other	**331,000**	765,000
Total Working Capital Provided	**180,746,000**	205,707,000
Working Capital Used for:		
Properties and other assets purchased	**101,895,000**	74,944,000
Cash dividends paid—		
Preferred Stock	**5,910,000**	5,913,000
Common Stock	**13,041,000**	9,334,000
Investment in resort development		12,351,000
Decrease in long term debt	**6,424,000**	6,130,000
Discounted rental obligations	**546,000**	1,386,000
Equity in unconsolidated finance subsidiaries	**126,000**	73,000
Total Working Capital Used	**127,942,000**	110,131,000
Working Capital Increase	**$ 52,804,000**	$ 95,576,000
Changes in Components of Working Capital:		
Cash and marketable securities	**$ 62,795,000**	$ 36,412,000
Accounts and notes receivable	**5,688,000**	10,277,000
Inventories	**(17,670,000)**	83,813,000
Other current assets	**2,116,000**	7,967,000
Accounts payable	**(4,500,000)**	(5,073,000)
Accrued expenses	**(188,000)**	(18,578,000)
Short term loans, foreign	**1,678,000**	(5,402,000)
Income taxes	**2,708,000**	(14,497,000)
Other current liabilities	**177,000**	657,000
Working Capital Increase	**$ 52,804,000**	$ 95,576,000

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS AND SUMMARY OF ACCOUNTING POLICIES.

Notes to Financial Statements

Details of Balance Sheet	**1975**	1974
ACCOUNTS AND NOTES RECEIVABLE:		
Trade	**$163,902,000**	$156,199,000
Other	**11,223,000**	11,342,000
	175,125,000	167,541,000
Less allowance for doubtful accounts	**12,764,000**	10,868,000
	$162,361,000	$156,673,000
INVENTORIES:		
Raw materials and supplies	**$ 85,321,000**	$105,682,000
Work in process	**25,434,000**	25,060,000
Finished goods	**149,061,000**	146,744,000
	$259,816,000	$277,486,000
PROPERTIES OWNED, AT COST (excluding resort development assets):		
Land	**$ 12,799,000**	$ 12,771,000
Buildings and improvements	**173,711,000**	164,458,000
Machinery and equipment	**442,628,000**	405,090,000
Construction in progress	**48,080,000**	18,745,000
	677,218,000	601,064,000
Less accumulated depreciation	**277,123,000**	247,023,000
	$400,095,000	$354,041,000
LONG TERM DEBT, LESS CURRENT INSTALMENTS:		
7½% Sinking Fund Debentures, due April 1, 1996, $60,000,000, less unamortized discount	**$ 59,779,000**	$ 59,763,000
4¼% Subordinated Debentures, due July 15, 1997 (exchangeable for 10.75 shares of 3M Company common stock per $1,000 debenture)	**60,000,000**	60,000,000
4¾% Subordinated Debentures, due August 15, 1987 (exchangeable for 10.1 shares of 3M Company common stock per $1,000 debenture)	**20,000,000**	20,000,000
Unsecured notes—		
4.042% to 5.75%, due in annual instalments to 1987	**43,551,000**	48,545,000
9⅞%, due in annual instalments from 1978 to 1995	**25,000,000**	
Other	**5,803,000**	5,072,000
	$214,133,000	$193,380,000

Business combinations and dispositions In 1975 Dart acquired Century Fiberglass, Inc. in exchange for 101,000 shares of Dart Common Stock. Sales and net earnings of Century were $3.9 million and $435,000, respectively, in 1974. This transaction was accounted for as a pooling of interests and accordingly the accompanying statements have been restated to include the accounts of this business in each year.

In 1975 and 1974 Dart acquired certain businesses for cash or for newly issued shares of Dart Common Stock and accounted for such acquisitions as purchases. The operating results of these businesses have been included in Dart's financial statements from the dates of acquisition and were not significant.

Certain businesses were sold during these years; their operating results were not significant.

International operations As described in the Summary of Accounting Policies, in 1975 Dart changed its method of accounting for foreign currency translations in accordance with new accounting requirements.

Financial statements have been restated retroactively to reflect this accounting change. The change reduced 1975 net earnings by $4,117,000 ($.19 per share) and increased 1974 net earnings by $1,572,000 ($.07 per share).

A summary of accounts relating to foreign subsidiaries at December 31 (excluding intercompany accounts) follows:

	1975	1974
ASSETS:		
Current assets	**$148,881,000**	$144,334,000
Properties	**79,945,000**	67,709,000
Investments and other assets	**5,848,000**	4,188,000
Total assets	**234,674,000**	216,231,000
LIABILITIES:		
Current liabilities	**72,361,000**	66,938,000
Long term debt and deferred income taxes	**9,555,000**	7,525,000
Total liabilities	**81,916,000**	74,463,000
Net assets of foreign subsidiaries in consolidation	**$152,758,000**	$141,768,000

Net sales from operations outside the United States were $339,589,000 in 1975 and $291,242,000 in 1974. Exchange losses were $2,177,000 in 1975 and exchange gains were $2,012,000 in 1974. Undistributed earnings of foreign subsidiaries included in consolidation were $12,294,000 for 1975 and $13,014,000 for 1974 and aggregated $96,490,000 at December 31, 1975. Dart has not considered it necessary to provide for deferred United States income taxes on this total because it has been or is expected to be reinvested outside the United States for an indefinite period of time. Dividends of $14,672,000 in 1975 and $12,053,000 in 1974 were received from foreign subsidiaries.

Cash Yearend cash balances included $12,325,000 and $14,040,000 at December 31, 1975 and 1974, respectively, which were invested in short term certificates of deposit or interest bearing time deposit accounts.

Marketable securities During 1974 Dart began disposing of its investment in industrial and utility common and preferred stocks. In addition, because of the significant deterioration in the market value of these investments, Dart reduced its carrying value of all but two securities to current market value by charges to earnings during the year. At December 31, 1975 the two securities not previously written down were reduced to current market value. The market value of securities included in current assets approximated their carrying value.

The charge to earnings of $952,000 for 1975 and $16,145,000 for 1974 results from the following:

	1975	1974
LOSSES INCURRED ON SALES:		
Cost of securities (based on first-in, first-out)	**$14,961,000**	$52,677,000
Proceeds from sales	**14,850,000**	39,571,000
	111,000	13,106,000
LOSSES EXPECTED TO BE INCURRED:		
Cost of securities	**9,805,000**	10,797,000
Market value at December 31	**8,964,000**	7,758,000
	841,000	3,039,000
Loss on marketable securities	**$ 952,000**	$16,145,000

Resort development operations A summary of accounts relating to resort development operations at December 31 (excluding intercompany accounts) follows:

	1975	1974
ASSETS:		
Cash, prepaid expenses, etc.	**$ 1,394,000**	$ 814,000
Notes receivable, principally 8¼ %	**27,330,000**	34,481,000
Deferred profit on land sales	**(7,463,000)**	(9,226,000)
Land and improvements	**42,200,000**	51,267,000
Properties and other assets	**6,949,000**	7,278,000
Total assets	**$70,410,000**	$84,614,000
LIABILITIES:		
Accounts payable, accrued costs and expenses, etc.	**$12,301,000**	$14,342,000
Total liabilities	**$12,301,000**	$14,342,000

Principal collections on notes receivable are due in the five years subsequent to December 31, 1975 as follows: 1976—$3,470,000; 1977—$3,632,000; 1978—$3,741,000; 1979—$3,903,000; 1980—$4,188,000.

Total estimated costs to complete improvements relating to active projects, based on management estimates and engineering studies, amount to $4,900,000 and anticipated expenditures relating to such improvements are expected to be incurred as follows: 1976—$4,200,000; 1977—$200,000; 1978—$500,000.

"Cost of goods sold and operating expenses" includes deferred profit on resort lot sales of $1,221,000 for 1975 and $1,375,000 for 1974. Profit, previously deferred, taken into earnings aggregated $2,337,000 for 1975 and $1,628,000 for 1974.

Notes to Financial Statements (continued)

On December 30, 1974 Dart sold its Silver Lakes resort project to a major resort development company. Dart's investment in the project of $25,856,000 included $1,900,000 for development work which Dart was obligated to complete. The sales price of $4,500,000 was evidenced by a secured note receivable which Dart immediately sold to a bank at face value without recourse.

Properties leased from others Dart has recorded as assets the cost of certain properties leased from others. The related discounted lease obligations are set forth separately in the accompanying balance sheet. Dart has no legal responsibility for payments under the terms of any of these leases except for rent, insurance, taxes and maintenance.

These lease obligations are payable approximately $2,100,000 annually through 1977, and in decreasing amounts thereafter to 1993. Commitments under other leases are shown in a following Note.

Unconsolidated finance subsidiaries Dart Industries Credit Corp. (DICC) is a wholly-owned subsidiary formed to finance certain receivables generated principally by the resort operations of Dart. At December 31, 1975 and 1974 DICC's balance sheet comprised primarily $2,200,000 and $2,700,000 in notes receivable, an account receivable from Dart and stockholder's equity. Net earnings of DICC were $125,000 in 1975 and $132,000 in 1974.

Dart Industries Mortgage Company (DIMC) is a wholly-owned subsidiary formed to finance a portion of the cost of home building by property owners in Dart resort development projects. At December 31, 1975 no significant financing had been required of DIMC.

Income taxes Income taxes charged to earnings consist of the following:

	1975	1974
PAYABLE CURRENTLY:		
Federal	**$43,700,000**	$46,074,000
Foreign	**33,000,000**	25,900,000
State	**5,400,000**	6,819,000
	82,100,000	78,793,000
TAX EFFECT OF TIMING DIFFERENCES:		
Federal	**(1,600,000)**	(6,300,000)
Foreign	**(2,800,000)**	(800,000)
State	**(200,000)**	(300,000)
	(4,600,000)	(7,400,000)
Provision for income taxes	**$77,500,000**	$71,393,000

The tax effect of timing differences, resulting from variances between accounting for financial statement purposes and accounting for tax purposes, is as follows:

	1975	1974
Depreciation	**$ 3,850,000**	$ 2,125,000
Instalment sales	**(1,440,000)**	(1,875,000)
Accrued taxes and other expenses not deductible until paid	**(7,010,000)**	(6,100,000)
Adjustments resulting from audits of prior years tax returns		(2,000,000)
Provision for discontinuance, etc. of certain operations		1,700,000
Other		(1,250,000)
	$(4,600,000)	$(7,400,000)

Income taxes charged to earnings differ from an amount computed using the United States federal income tax rate of 48%. A reconciliation between an amount computed using the 48% rate and the provision for income taxes is as follows:

	1975	1974
Amount computed using the 48% rate	**$75,100,000**	$67,500,000
Increases (reductions) in taxes result from:		
State income taxes	**2,700,000**	3,380,000
Foreign income taxes	**2,800,000**	1,000,000
Tax rate difference applied to capital losses		2,830,000
Investment tax credit	**(2,600,000)**	(1,900,000)
Other	**(500,000)**	(1,417,000)
Provision for income taxes	**$77,500,000**	$71,393,000

Short term loans and borrowing arrangements Foreign short term loans are unsecured and aggregated a maximum of $10,912,000 and $12,398,000 at any monthend in 1975 and 1974, respectively. Weighted average borrowings and interest rates during the year, based on amounts outstanding at each monthend, were $9,423,000 and 10.5% in 1975 and $7,745,000 and 9.9% in 1974. At December 31, 1975 and 1974 the weighted average interest rates were 11.6% and 10.8%, respectively.

Unused lines of short term credit, primarily with United States banks, totaled $44,200,000 at December 31, 1975 and provide for unsecured ninety day loans generally at the banks' prime rates. Compensating balance requirements under these credit lines are not material.

Long term debt Total principal payments due on long term debt in the five years subsequent to December 31, 1975 are as follows: 1976—$6,671,000; 1977—$6,572,000; 1978—$9,003,000; 1979—$8,055,000; 1980—$7,931,000.

The 7½% Debentures are due April 1, 1996. Through the operation of a mandatory sinking fund, Dart is obligated to redeem $4,000,000 aggregate principal amount of these Debentures on April 1 in each of the years 1982 through 1995. Dart has the option to redeem through the sinking fund an additional $4,000,000 aggregate principal amount in each such year. All sinking fund redemptions, mandatory or optional, are to be made at 100% of the principal amount of the debentures redeemed. Debentures acquired or redeemed otherwise than through the operation of the sinking fund may be credited against the sinking fund requirement.

In addition to $25,000,000 borrowed in December 1975 from five insurance companies in exchange for 9⅞% unsecured notes, $25,000,000 is scheduled to be borrowed in December 1976 for which a commitment fee of ½ of 1% is being charged.

Under loan agreements with certain insurance companies, approximately $160,000,000 of the consolidated retained earnings at December 31, 1975 is not restricted as to payment of cash dividends. The agreements impose no restrictions on payment of stock dividends.

Incentive compensation Under the formula incorporated in Dart's 1962 stockholder approved Incentive Compensation Plan for principal officers and key employees, the Incentive Compensation Committee and the Executive Committee of the Board of Directors awarded to 91 principal officers and key employees $1,417,000 ($1,401,000 for 1974) of the total of $5,410,000 available for 1975. No outside director participates in this plan.

Pursuant to stockholder authority granted in 1962, various other approved plans are in effect for divisions and subsidiaries of Dart and certain special awards have been authorized for employees not participating in any plan. No principal officer or director participates in these plans or special awards. The above named committees awarded $6,053,000 ($6,252,000 for 1974) to 614 persons in these categories. The total amount available under the plans and inclusive of special awards was $10,133,000.

Amounts available but not awarded under all plans are not available for future awards.

Preferred Stock Holders of the Series A $2 Cumulative Convertible Preferred Stock are entitled to receive $2 per share annual cash dividends, to one vote per share and, upon any voluntary liquidation, dissolution or winding up, to receive $50 per share plus accrued unpaid dividends. Each share of the Preferred Stock is convertible by the holder into Common Stock on a share for share basis adjusted for stock dividends in excess of 3% in any one year or for recapitalization. The Preferred Stock may be called for redemption at $55 per share plus accrued unpaid dividends.

Stock options 1,218,100 shares of Dart Common Stock are reserved for purchase by officers and employees under stockholder approved stock option plans. Options for 1,346,100 shares have been exercised in prior years. No options were exercised in either 1975 or 1974.

During 1975 options for 47,500 shares were granted at prevailing market prices ranging from $22.50 to $23.13 per share and aggregating $1,084,000. No options were granted during 1974.

A summary of changes in options outstanding follows:

	1975	1974
Options which became exercisable:	**219,100**	281,200
Option prices		
Per share range	**$23.39/$51.82**	$23.39/$51.82
Total	**$7,050,000**	$8,978,000
Fair value at date exercisable		
Per share range	**$12.88/$29.25**	$11.17/$20.63
Total	**$5,006,000**	$5,075,000
Options canceled:	**343,800**	79,900
Per share range	**$26.20/$47.64**	$26.20/$47.64
Total	**$9,692,000**	$2,872,000

At December 31, 1975 there were 649,600 shares under option at prices ranging from $22.50 to $51.82 per share totaling $24,827,000; 453,500 shares were exercisable. There were 568,400 shares available for granting at December 31, 1975 and 264,000 shares at December 31, 1974.

Option shares and prices have been adjusted to reflect applicable stock dividends paid subsequent to dates of grant.

Retirement plans Dart and certain of its United States subsidiaries continued the contributory profit sharing retirement plan, the principal retirement plan, established in 1955 covering salaried employees with one or more years of employment with Dart. The aggregate Dart contribution in any year is based upon consolidated earnings before federal income taxes as defined, is limited to six percent of such earnings and cannot exceed the amount deductible for federal income tax purposes. The computations include net earnings of certain divisions whose employees do not participate in the Dart plan, but who participate in previously existing retirement plans which have been continued in effect. The contribution to be made under the Dart profit sharing plan amounted to $6,496,000 for 1975 and was $7,993,000 for 1974.

Dart and its subsidiaries have several pension plans covering substantially all of their employees not covered by Dart's profit sharing retirement plan, including certain employees in foreign countries. The total

Notes to Financial Statements (continued)

pension expense was $8,311,000 for 1975 and $5,412,000 for 1974 which includes, as applicable, amortization of prior service cost principally over a period of 30 years. Dart's policy is, generally, to contribute the pension cost accrued. The actuarially computed value of vested benefits for all plans exceeded, as of December 31, 1975, the total of pension fund assets and accruals by about $23,500,000, of which approximately $10,800,000 relates to a new pension plan which became effective in 1975. The total estimated unfunded prior service cost relative to all pension plans in effect was approximately $45,000,000 at December 31, 1975, with about $10,500,000 thereof relating to a new plan.

Commitments and contingencies Dart leases real estate, transportation equipment and other machinery and equipment under short and long term, cancelable and noncancelable lease agreements which generally provide for fixed monthly payments over the terms of the leases. Many leases require additional payments for property taxes, insurance and maintenance. Some of the leases entered into prior to 1965 contain purchase options. Information concerning certain capitalized leases is contained in a preceding Note.

Rental expense (reduced by sublease income of $2,750,000 in 1975 and $2,371,000 in 1974) totaled $29,678,000 in 1975 and $27,417,000 for 1974 and included $16,856,000 and $15,363,000, respectively, relating to noncancelable leases considered to be noncapitalized financing leases (as defined by the Securities and Exchange Commission).

Minimum rental commitments under noncancelable leases in effect at December 31, 1975, net of sublease rentals receivable of $7,339,000, are payable as follows:

	MINIMUM RENTAL COMMITMENTS		
	REAL ESTATE	TRANSPORTATION EQUIPMENT	MACHINERY AND EQUIPMENT
Payable in—			
1976	$ 4,807,000	$13,231,000	$1,173,000
1977	4,053,000	6,731,000	610,000
1978	3,823,000	3,710,000	413,000
1979	3,439,000	1,781,000	317,000
1980	2,872,000	467,000	52,000
1981-1985	9,201,000	594,000	51,000
1986-1990	3,742,000		
1991-1995	1,427,000		
after 1995	2,170,000		
	$35,534,000	$26,514,000	$2,616,000

Amounts applicable to noncapitalized financing leases included in the above table are as follows: 1976—$14,613,000; 1977—$8,006,000; 1978—$5,060,000; 1979—$3,154,000; 1980—$1,664,000; 1981 to 1985—$5,378,000; 1986 to 1990—$1,860,000; 1991 to 1995—$613,000; after 1995—$2,170,000.

The present value of the minimum rental commitments under noncapitalized financing leases and the impact on net earnings of the assumed capitalization of such leases is not material.

Dart is a defendant in certain civil class action suits, in which substantial damages are claimed, involving its resort development projects and two other land projects in which Dart has a minority interest. The actions relating to the Bear Valley Springs and Valley Hi projects are the subject of Settlement Agreements dated December 12, 1975 under which Dart has agreed to pay refunds and legal and administrative costs of up to $2,000,000 and, in addition, to arbitrate certain of the claims. Dart expects the Settlements will be confirmed in the spring of 1976. In addition, certain lawsuits have been filed against Dart relative to its other operations. In the opinion of management and legal counsel, the ultimate disposition of these actions will not have a materially adverse effect on Dart's financial position or results of operations.

Capital expenditures It is estimated that capital expenditures for 1976 will be about $110,000,000.

Earnings per share of Common Stock Primary earnings per share are based on the weighted average number of shares of Common Stock outstanding during each period increased by the effect of dilutive stock options. Such increased average shares were 21,767,100 for 1975 and 21,751,700 for 1974. Net earnings attributable to Common Stock are after deducting Preferred dividend requirements.

Fully diluted earnings per share are based on the weighted average number of shares of Common Stock outstanding during each period, assumption of conversion of Series A $2 Cumulative Convertible Preferred Stock and assumption of exercise of all dilutive stock options. Such increased average shares were 24,724,700 for 1975 and 24,796,700 for 1974.

All per share amounts give retroactive effect to stock dividends paid.

Supplementary earnings statement information Charges to costs and expenses for the years ended December 31 include the following:

	1975	1974
Maintenance and repairs	**$37,088,000**	$31,036,000
Taxes, except income taxes:		
Payroll	**21,823,000**	20,854,000
Property, business and other	**11,179,000**	10,467,000
Advertising	**10,674,000**	9,447,000
Research and development	**7,137,000**	6,623,000

Sales and Earnings by Quarter (1)

(Amounts in millions except per share data)

			1975		
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR
Sales	**$288**	**$317**	**$327**	**$348**	**$1,280**
Earnings before taxes	**34**	**40**	**35**	**47**	**156**
Net earnings	**19.0**	**20.6**	**15.7**	**23.7**	**79.0**
Earnings per share					
Primary/fully diluted	**.80/.77**	**.88/.83**	**.66/.64**	**1.02/.95**	**3.36/3.19**
Stock price range—high/low(2)					
Common	**24¼/13¼**	**28⅜/21**	**27½/21¾**	**29⅜/24⅛**	**29⅜/13¼**
Preferred	**29/21⅜**	**31½/25⅜**	**31½/26¼**	**34¼/29**	**34¼/21⅜**
Cash dividends paid					
Common	**.15**	**.15**	**.15**	**.16**	**.61**
Preferred		**1.00**		**1.00**	**2.00**

			1974		
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER (3)	FULL YEAR
Sales	$279	$311	$315	$313	$1,218
Earnings before taxes	34	42	38	27	141
Net earnings	16.4	21.4	17.2	14.3	69.3
Earnings per share(4)					
Primary/fully diluted	.69/.66	.91/.87	.73/.69	.58/.57	2.91/2.79
Stock price range—high/low(2)					
Common	23/17	20⅝/17	20⅝/11¼	16⅝/11⅛	23/11⅛
Preferred	28¾/25	26¼/23¼	25½/19	23/19⅛	28¾/19
Cash dividends paid					
Common	.10	.10	.10	.15	.44(4)
Preferred		1.00		1.00	2.00

1. Restated for the effect of a change in accounting related to foreign currency translations and for an acquisition accounted for as a pooling of interests.
2. Dart Industries' Common and Preferred Stocks are traded principally on the New York Stock Exchange under the symbols "D" and "DPr," respectively. Prices noted are based on NYSE closing prices.
3. Earnings for the fourth quarter of 1974 include a loss on sale of a resort development project of $21,356,000, before tax benefit. Primary earnings per share were reduced 47 cents as a result of the loss from this sale.
4. Adjusted for 3% Common Stock dividend issued in May 1975.

Five Year Summary of Operations

Management's Discussion and Analysis

Dart Industries net sales and net earnings have increased in each of the past five years. Certain trends during the recent past are discussed below and additional data are included in the Lines of Business table on page 2. The Operations Review on pages 7 to 15 provides further commentary on 1975 operations.

As discussed in the Summary of Accounting Policies and the Note to Financial Statements on International Operations, Dart retroactively changed its method of accounting for foreign currency translations in 1975. The effect of this change was to decrease net earnings in 1975 by $4,117,000 ($.19 per share) and to increase net earnings in prior years as follows:
1974—$1,572,000 ($.07 per share);
1973—$2,632,000 ($.12 per share);
1972—$282,000 ($.01 per share);
1971—$849,000 ($.04 per share).

1975 Compared with 1974 Net sales in 1975 increased $62 million (5%) over the 1974 level. Sales improvements of $65 million were attained in the Direct Selling line of business primarily as a result of increased sales volume outside the United States. Price increases were the major factor contributing to the $37 million sales increase of the Glass Containers line of business, while sharply reduced demand early in the year was the principal cause for reduced Chemical sales of $32 million. Demand for Chemical products had recovered to near-1974 levels by the fourth quarter.

The relationship of cost of goods sold and operating expenses to net sales deteriorated slightly in 1975, representative of cost increases across a broad spectrum of products and services. Lower levels of production for consumer products, chemicals and plastics, implemented during the year in order to reduce inventory balances, added to unit production cost.

Depreciation and amortization has increased in each year as a result of additions to properties.

Earnings before taxes reflect the improvement attributable to the absence of substantial 1974 losses on marketable securities and the sale of a resort development project.

1974 Compared with 1973 Net sales in 1974 increased $225 million (23%) over the 1973 level. While increases in physical volume were the primary contributor to increased sales, higher selling prices, especially in chemical operations, provided a measurable portion of the increases. International Operations experienced a sales gain of $80 million (38%) and accounted for $291 million (24%) of total 1974 sales.

The relationship of cost of goods sold and operating expenses to net sales improved slightly in 1974. This improvement is attributable to increased operating efficiencies and to increases in selling prices.

Earnings before taxes benefited from the increase in sales volume but were affected by the loss on sale of the Silver Lakes resort project ($21.4 million) and by losses on marketable securities ($16.1 million).

Provision for income taxes was recorded at a rate higher than 1973 primarily due to the losses on marketable securities, which resulted in tax benefit at the lower capital gains rate, and lower investment tax credits.

(Dollar amounts in thousands except per share data)
For the Year
Net sales
Cost of goods sold and operating expenses
Depreciation and amortization
Interest expense
Earnings before taxes and extraordinary items
Provision for income taxes
Earnings before extraordinary items
Extraordinary items, net of applicable income taxes
Net earnings
Earnings per share of Common Stock
Primary
Before extraordinary items
Net earnings
Fully diluted
Before extraordinary items
Net earnings
Cash dividends per share of Common Stock
Cash dividends paid
Common Stock
Preferred Stock
Common Stock dividends
Net earnings applicable to Common Stock after Preferred dividend requirements
Properties and other assets purchased
Financial Position at Yearend
Current assets
Current liabilities
Working capital
Properties owned (net)
Total assets
Long term debt
Deferred income taxes
Stockholders' equity
Shares of stock outstanding
Common
Preferred
Stockholders
Common
Preferred
Employees

The shares of Common Stock outstanding, cash dividends per share and earnings per share for 1974 and prior years have been adjusted retroactively to give effect to subsequent stock dividends.

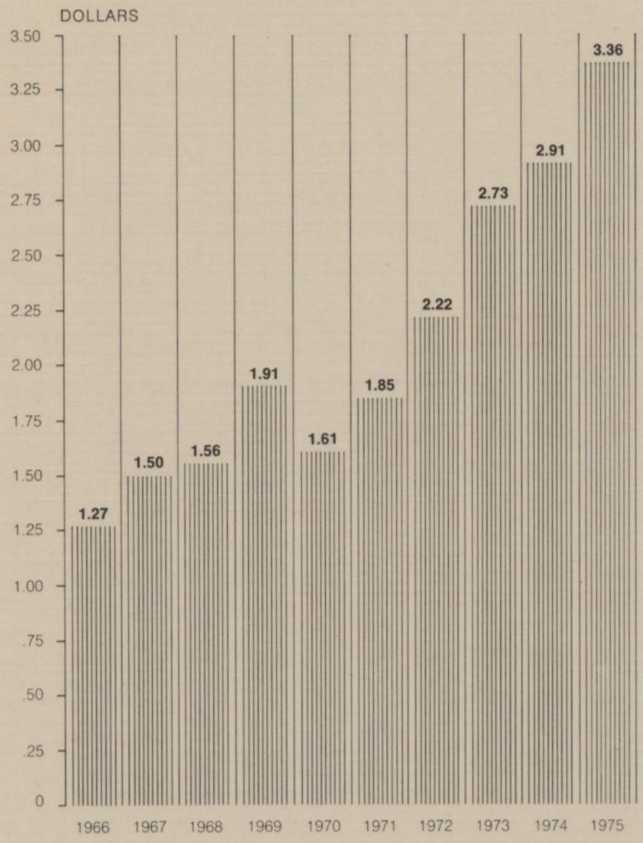
1975	1974	1973	1972	1971
$1,280,407	$1,218,042	$ 993,322	$ 892,380	$ 815,968
787,474	724,204	600,878	529,108	482,230
46,228	44,105	38,703	34,346	31,471
14,484	14,648	13,915	12,222	10,089
156,488	140,690	122,522	104,597	87,299
77,500	71,393	57,600	50,600	42,200
78,988	69,297	64,922	53,997	45,099
			1,143	
78,988	69,297	64,922	55,140	45,099
3.36	2.91	2.73	2.22	1.85
3.36	2.91	2.73	2.27	1.85
3.19	2.79	2.63	2.16	1.82
3.19	2.79	2.63	2.21	1.82
.61	.44	.31	.27	.26
13,041	9,334	6,538	5,783	5,536
5,910	5,913	5,913	5,916	5,919
3%	3%	3%	3%	3%
73,078	63,384	59,009	49,224	39,180
101,895	74,944	68,815	69,543	53,080

$ 609,238	$ 556,309	$ 417,311	$ 438,765	$ 367,429
215,161	215,036	171,529	155,624	124,158
394,077	341,273	245,782	283,141	243,271
400,095	354,041	325,162	300,760	273,375
1,190,687	1,114,858	1,035,722	978,096	825,945
214,133	193,380	197,878	204,925	135,755
49,400	51,900	54,400	51,500	47,400
683,776	623,738	568,560	513,047	464,435
21,766,100	21,763,300	21,576,300	21,459,600	21,119,100
2,953,900	2,956,300	2,956,400	2,957,100	2,959,700
31,141	32,088	32,110	32,591	34,208
5,929	6,028	5,476	5,396	5,856
28,612	29,566	28,483	28,124	27,408

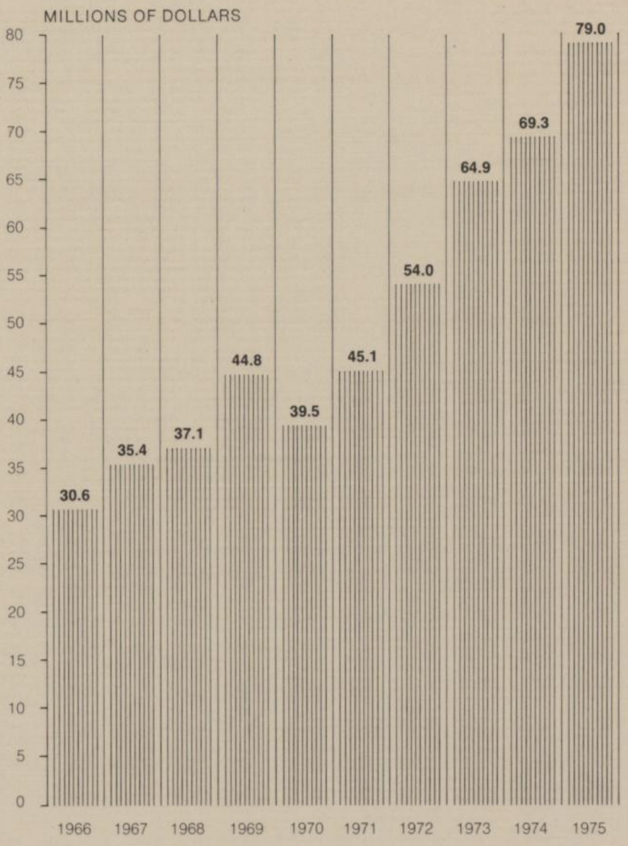
DART INDUSTRIES INC. AND CONSOLIDATED SUBSIDIARIES

Ten Years at a Glance

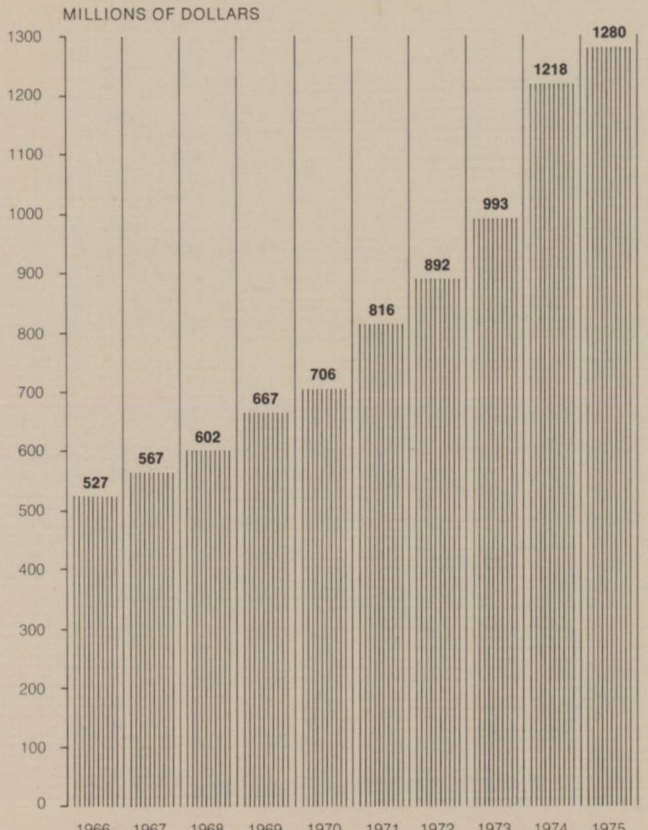
Earnings Per Share[1] [2]



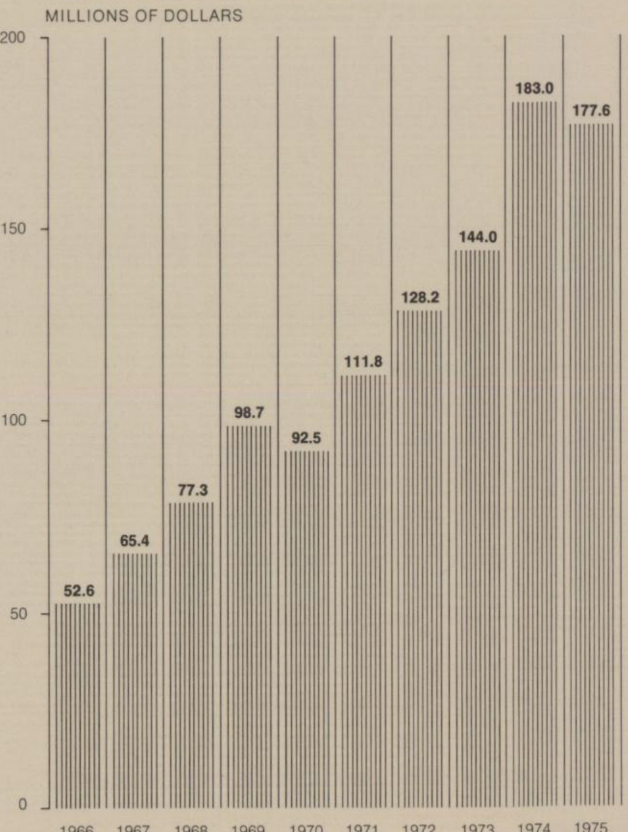
Net Earnings[2]



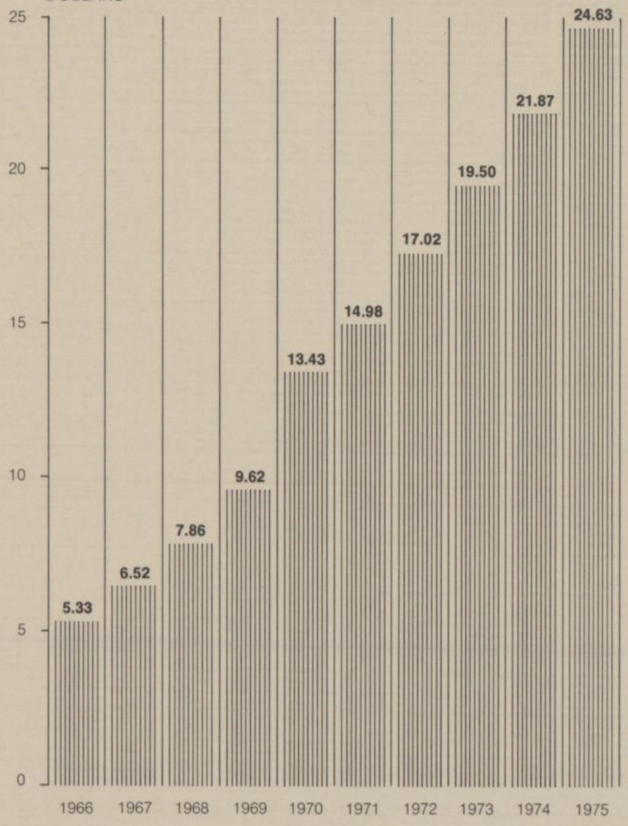
Net Sales



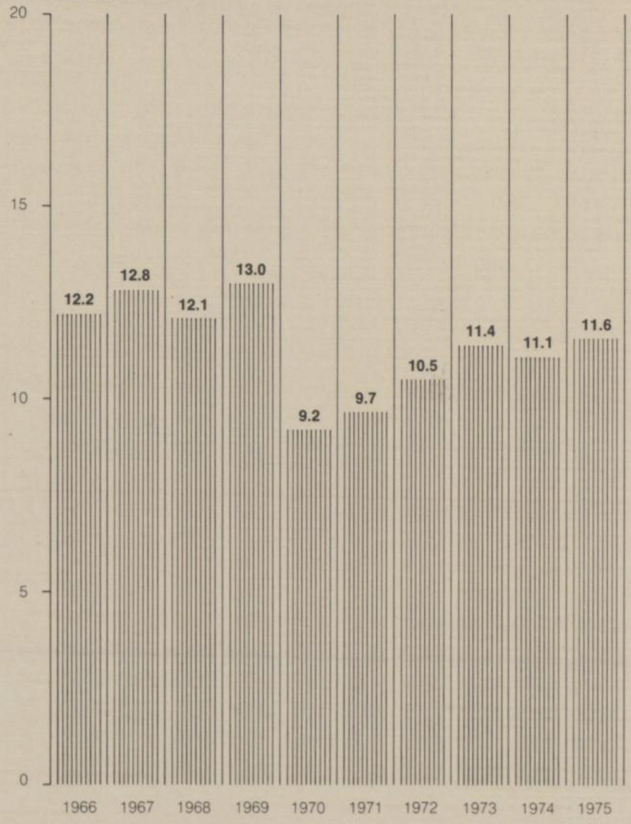
Pre-Tax Operating Earnings[3]



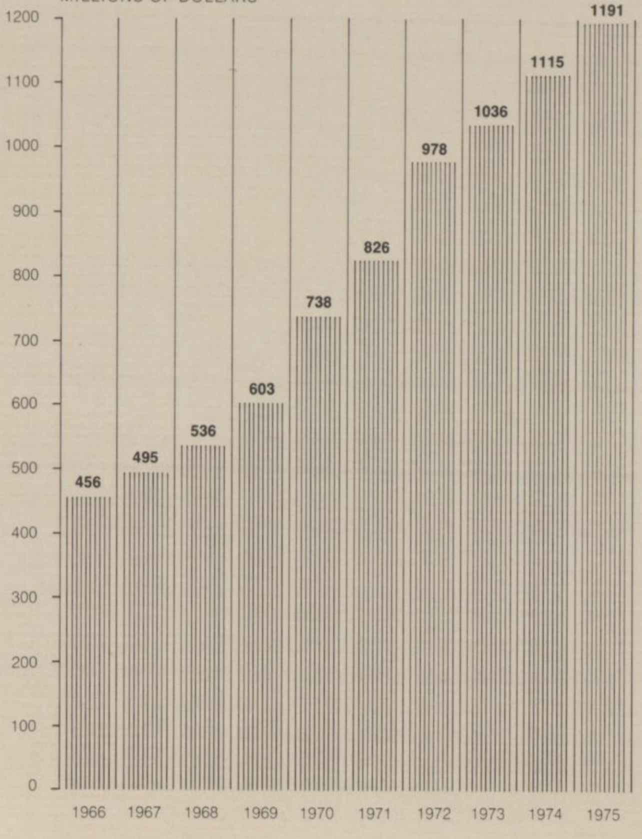
1. Years prior to 1975 restated for 3% stock dividend issued May 28, 1975.
2. Does not include extraordinary gains. 3. Before Corporate charges.



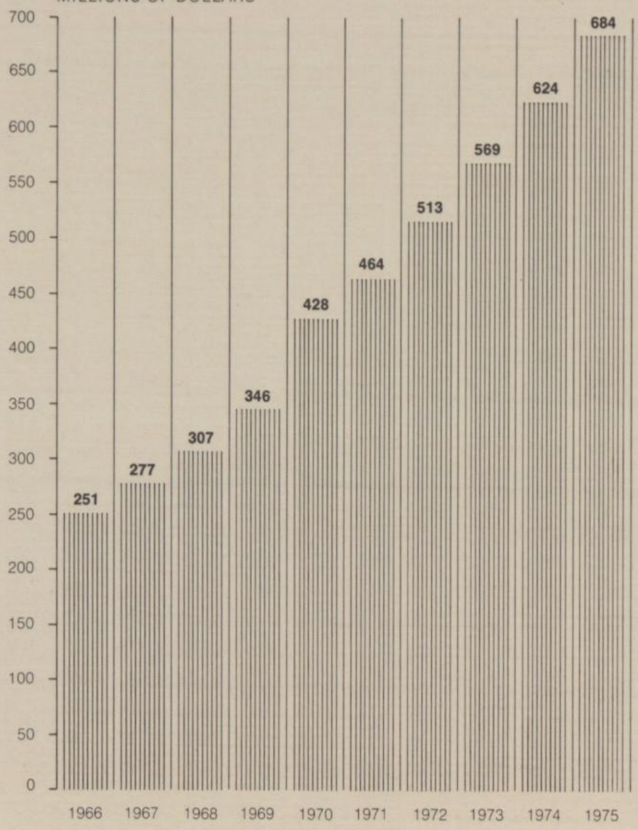
Book Value Per Common Share(1)



After-Tax Return on Stockholders' Equity(2)



Total Assets



Stockholders' Equity

Board of Directors

* **Curtis Barkes,** Director and Chairman of the Finance and Audit Committee, UAL, Inc.

Robert T. Beattie, Executive Vice President; President and Chief Executive Officer, Consumer Products Group

Russell K. Bolton, Vice President and General Counsel

Donald H. Brewer, Vice Chairman of the Board of Directors; Executive Vice President, Finance and Administration

†* **Edward E. Carlson,** Chairman and Chief Executive Officer, UAL, Inc. and United Airlines; Director of Aluminum Company of America, Deere & Company, First Chicago Corp., First National Bank of Chicago and Seattle-First National Bank

Gary A. Childress, President

‡* **John C. Cornelius,** Director and member of the executive committees of Investors Mutual, Inc., Investors Stock Fund Inc., and Affiliated Funds, Minneapolis, Minnesota; Director, Domain Industries; retired Executive Vice President, now Senior Consultant to BBDO Advertising Agency; former President, The American Heritage Foundation

Justin Dart, Chairman of the Board of Directors and Chief Executive Officer

* **William T. Gossett,** Partner, Dykema, Gossett, Spencer, Goodnow & Trigg, Attorneys, Detroit, Michigan; Past President, American Bar Association; Director of One William Street Fund, Inc.; Chairman Emeritus, Executive Committee, Twentieth Century-Fox Film Corporation

* **Alfred M. Gruenther,** General, United States Army (Retired); former President, American Red Cross; Director of Federated Department Stores, Inc. and Institute for Defense Analysis; member of the Business Council

Joseph Hara, President, Tupperware U.S. and Executive Vice President, Tupperware International

Ralph M. Knight, Executive Vice President; President and Chief Executive Officer, Chemical Group

* **Franklin B. Pollock,** Retired Vice Chairman of the Board of Directors

* **Elwood R. Quesada,** Lieut. General, United States Air Force (Retired); Chairman of the Board and Chief Executive Officer, L'Enfant Plaza Properties, Inc., urban development complex in Washington, D.C.; Chairman of the Board and President, Pennsylvania Avenue Development Corporation, U.S. Government Corporation charged with rebuilding the north side of Pennsylvania Avenue; Director of National Bank of Washington, D.C. and EG & G, Inc., electronic and nucleonic research and manufacturing

* **Stanley M. Rumbough, Jr.,** Investments and business development; Director of International Flavors and Fragrances, Inc., and other Corporations

* **Jacob W. Stutzman, M.D.,** President of Riker Laboratories, Inc., ethical drug manufacturer and a subsidiary of The 3M Company

* **Holmes Tuttle,** President and Director of Holmes Tuttle Enterprises; Director of Trans World Airlines, Inc., Community Bank and Challenge-Cook Bros., Inc., Los Angeles, California

Hamer F. Wilson, Executive Vice President; Chairman and Chief Executive Officer, Direct Selling Group

Ralph Wilson, Jr., D.D.S., President of Ralph Wilson Plastics Division, Plastics Group

* **R. D. Ziegler,** President and Director of the Ziegler Company, Inc., financial services holding company; Director of Western Publishing Company, Inc., and Globe-Union, Incorporated, manufacturer of batteries and electrical components

* OUTSIDE DIRECTORS

† ELECTED TO THE BOARD FEBRUARY 3, 1976

‡ NOT STANDING FOR REELECTION IN 1976

Officers and Committees

Officers

Justin Dart, *Chairman of the Board of Directors and Chief Executive*

Gary A. Childress, *President*

Donald H. Brewer, *Vice Chairman of the Board of Directors and Executive Vice President, Finance and Administration*

Robert T. Beattie, *Executive Vice President; President and Chief Executive of Consumer Products Group*

Ralph M. Knight, *Executive Vice President; President and Chief Executive of Chemical Group*

Hamer F. Wilson, *Executive Vice President; Chairman and Chief Executive of Direct Selling Group*

Norbert Baillen, *Vice President, Europe and South America, Corporate Development*

Russell K. Bolton, *Vice President and General Counsel*

Vincent R. Cucina, *Vice President, Financial Planning*

Elmer M. Davis, *Vice President; President of The West Bend Company*

William H. Greenberg, *Vice President; President and Chief Executive of Glass Containers Group*

Thomas M. Mullen, *Vice President and Treasurer*

William R. Palmer, *Vice President and Controller*

Herschel A. Phillips, *Vice President, Labor Relations*

James P. Schwartz, *Vice President; President of Styro and Specialty Products Division*

Norman Wicks, *Vice President, Corporate Relations*

Edgar Thedens, *Secretary*

Executive Committee

Justin Dart, *Chairman*
Curtis Barkes
Donald H. Brewer
Gary A. Childress
William T. Gossett
Alfred M. Gruenther
Holmes Tuttle
Dale Reis, *Secretary*

Audit Committee

Curtis Barkes, *Chairman*
William T. Gossett
Alfred M. Gruenther
Holmes Tuttle

Stock Option and Incentive Compensation Committee

Holmes Tuttle, *Chairman*
William T. Gossett
Alfred M. Gruenther

Executive Personnel Committee

Alfred M. Gruenther, *Chairman*
John C. Cornelius
Holmes Tuttle

Retirement Plans Committee

Russell K. Bolton, *Chairman*
Robert T. Beattie
Donald H. Brewer
Ralph M. Knight
Ralph Wilson, Jr.
R. D. Ziegler
Wendell Fish, *Secretary*
George Maison, *Assistant Secretary*

Transfer Agents
Morgan Guaranty Trust
Company of New York,
New York, N.Y.
State Street Bank and Trust Company
Boston, Mass.
Bank of America National Trust and
Savings Association,
San Francisco, Calif.

Registrars
The Chase Manhattan Bank,
New York, N.Y.
The National Shawmut Bank of Boston,
Boston, Mass.
United California Bank,
San Francisco, Calif.

Independent Accountants
Price Waterhouse & Co.

Additional copies of this Annual Report will be furnished upon request free of charge. Copies of the Company's Form 10-K, without exhibits, will be furnished upon request free of charge and copies of the exhibits to Form 10-K will be furnished upon request at a charge of $2.00
Write to:

The President
Dart Industries Inc.
P.O. Box 3157, Terminal Annex
Los Angeles, California 90051

Dart Industries Inc. Annual Report 1975